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New Fear Of Terror Attacks

Iraq Might Turn To U.S., Israeli or European Targets

By William Drozdiak
Washington Post Service

PARIS — President Saddam Hussein's appeal for a holy war against "imperialist targets" has aroused concern that Iraq may be preparing a "second front" of terrorist cells to destabilize Arab states opposing him and to attack Israeli, American or European targets, according to European governmental and security officials.

Western military strategists suggest that Mr. Hussein will seek to avoid direct confrontation with foreign fleets assembling in the Gulf that could trigger an assault on Iraqi military installations or on Baghdad itself.

Rather, some European officials said, if the military situation turns into a protracted stalemate and international sanctions begin to bite, he may be tempted to use terrorist proxies.

They said the primary target of such terrorists could be Israel and moderate Arab states, where agents might seek to foment unrest or carry out assassinations to topple leaderships backing the immediate withdrawal of Iraqi troops from Kuwait.

The U.S. State Department warned last week that the Iraqi invasion of Kuwait might raise the risk of terrorist incidents directed against U.S. interests overseas.

The State Department advisory said that diplomatic posts overseas had been told to take precautions. It said, however, that there was no specific information concerning terrorist operations.

European security agencies have stepped up surveillance and information exchanges on known sympathizers of Mr. Hussein's regime, intelligence officials said.

Any military incident in the Gulf that could be cited by Iraq as a pretext for revenge would almost certainly put security forces in possible target areas on even higher alert, these sources added.

Kuwaiti diplomatic sources loyal to the deposed ruling family say that they have warned British security officials that Iraq might send terrorists to Europe using Kuwaiti passports confiscated following the occupation.

The Kuwaiti Embassy in London is attempting to register every Kuwaiti passport holder in Britain and make photocopies of all passports to help British authorities weed out possible Iraqi agents.

In the past Britain and France have been largely immune from Iraqi-sponsored terrorism, because both countries leaned toward Baghdad for commercial and political reasons during its war with Iran.

But some opponents of Mr. Hussein say that he has the will and manpower to launch terrorist attacks through a network of agents and sympathetic allies.

Salah Hakim, an Iraqi dissident living in London who heads the Committee on Human Rights in Iraq, said Mr. Hussein employed many agents living and working in Britain, largely to help funnel arms

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Bonn, in a Shift, May Send Ships to Gulf

By Joseph Fitchett
International Herald Tribune

PARIS — West Germany appeared to be moving Tuesday toward shedding its self-imposed rule against deploying military units in combat zones outside Europe by sending minesweepers to the Gulf.

The German ships would be part of a West European naval task force that is expected to be set up by the Western European Union when foreign ministers from the nine member nations meet in Paris next Tuesday.

Chancellor Helmut Kohl said that "West Germany will take part within the framework of its legal and practical means" in any coordinated action undertaken by the WEU, according to the Italian foreign minister, Gianni De Michelis.

Mr. De Michelis quoted Mr. Kohl as having told Prime Minister Giulio Andreotti that West German minesweepers would definitely join a European naval force sent to the Gulf. Mr. Kohl's conversation with Mr. Andreotti was viewed as part of an effort by Bonn to get other WEU nations to initiate such an effort.

In challenging a widespread view that West Germany is constitutionally prohibited from foreign military activity, the Bonn government is reflecting the emergence of broader German thinking about Western security, West German officials said Tuesday in telephone interviews from Bonn.

There may also be an element of paying back the Bush administration for "the extraordinary support" it has given to Mr. Kohl's government on reunification, a European diplomat said.

West Germans also appear less constrained by concern about possible reactions in the Soviet Union, whose past fears of German military power have apparently been dissipated by German reassurances in recent months.

In citing legal considerations, Mr. Kohl foreshadowed the constitutional controversy that could engulf West Germany's effort to take a freer military hand.

If Mr. Kohl decided to order warships to the Gulf, it would almost certainly trigger a major political debate in West Germany, with the opposition Social Democrats calling for continued adherence to the postwar policy of military restraint.

"We would welcome such a development," said a West German Defense Ministry official, adding that "it is about time to broaden the horizon of the Federal Republic as far as international security and defense are concerned."

The reluctance of successive Bonn governments to order troops outside Europe has often been attributed to a ban in the West German Constitution against such actions.

Denying the existence of any such constitutional stipulation, a Foreign Ministry official in Bonn said that "the restrictive view up until now was a political interpretation of the constitution, which the government appears ready to review."

In pressing its interpretation, the Kohl government will invoke an article in West Germany's postwar constitution that authorizes military participation in collective-security arrangements. That clause covered West Germany's role in NATO and in the WEU.

The WEU, which groups the main European members of NATO, was set up immediately after World War II and gradually became almost moribund until it was revived in the mid-1980s as a forum for European defense cooperation in the mid-1980s.

Recently, it has served as a convenient political vehicle

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King Hussein of Jordan, followed by an officer, reviewing his Arab Legion troopers in Amman on Tuesday. He later left for the United States. Max Nash/The Associated Press

U.S. Weighs Shutting Off Jordan's Port

Warning Comes as the King Flies to Meet Bush for Talks

By Paul F. Horvitz
International Herald Tribune

WASHINGTON — President George Bush raised the possibility on Tuesday that U.S. naval forces would blockade the Jordanian port of Aqaba on the Red Sea to prevent goods from reaching Iraq.

"If it's a hole through which commerce flows in an otherwise tight net, I would certainly think that Aqaba should be closed to Iraqi commerce," the president said at a news conference on the eve of a visit by Jordan's ruler, King Hussein.

Asked whether the American-led naval blockade of Iraq would be extended to Jordan if supplies move through Aqaba to Iraq, as they were doing on Tuesday, Mr. Bush replied, "At some point it well might be."

Mr. Bush held out the promise of U.S. economic aid to Jordan if King Hussein supported the United Nations embargo on commerce with Iraq.

"We've helped Jordan in the past," Mr. Bush said. "We'll help him in the future."

But he said Jordan must comply with economic sanctions against Iraq, which is a major trading partner and which provides Jordan with almost all its oil.

He declined to discuss what he knew about the reported movement of supplies by truck from Aqaba to Iraq, saying that was a matter he would discuss with King Hussein, who is to arrive in the United States on Wednesday and confer with the president in Maine on Thursday.

King Hussein is reportedly carrying a message to Mr. Bush from President Saddam Hussein of Iraq, but Mr. Bush declined to discuss whether such a message was en route.

"It's going to be an interesting conversation," Mr. Bush said.

Mr. Bush made several other points on the crisis in the Gulf.

- He said he was pessimistic about a diplomatic solution to the crisis. "I don't see it right now," he said.
- Despite criticism from some members of the UN Security Council that Mr. Bush acted hastily in imposing a naval blockade on Iraq, he said, "We are within our legal rights." He said he thought "the world wants" the sanctions.
- Mr. Bush said he was confident that the world's oil-producing nations, other than Iraq and Kuwait, "will make up the shortfall in production" resulting from the Iraqi invasion of Kuwait and the subsequent embargo. Mr. Bush said he had thanked the president of Venezuela and had high praise for Mexico as well, but he did not specify which other countries would increase output. Saudi Arabia has said it will increase production.
- He said he did not feel that the Iraqi regime was using foreigners in Iraq and Kuwait as a shield, but "it's a troubling situation." Again, the president refrained from using the word "hostages."
- Mr. Bush said Soviet reaction to the Iraqi invasion and subsequent embargo attempts "makes the equation much easier to solve." He noted that in the past, such a crisis would have first led U.S. policymakers to ask what response the Soviet Union would have to American initiatives. Now, the Soviet Union is backing an embargo.

"That's a significant difference from the way it used to be," he said.

His comments on Jordan served as a stark backdrop to the talks with King Hussein, who rules a nation that trades heavily with Iraq and whose populace views Saddam Hussein as a leader in the Arab and

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Related Articles

The crisis is reshaping U.S. relations with two of its oldest Middle Eastern allies, Israel and Jordan. Page 2.

Saddam Hussein must watch his back against potential military enemies at home, intelligence analysts say. Page 5.

U.S. Explores Plan for UN Role in Naval Blockade

Compiled by Our Staff From Dispatches

WASHINGTON — The United States called a meeting on Tuesday of the chief delegates of the five permanent members of the UN Security Council to discuss a Soviet suggestion that naval forces opposing Iraq in the Gulf come under a United Nations umbrella.

The U.S. was apparently reacting to criticism of its almost unilateral blockage of Iraqi shipping.

Margaret D. Tutwiler, the State Department spokesman, said the meeting would consider convening the little-used UN Military Staff Committee, which is charged with organizing and commanding armed forces sent by the Security Council to ensure compliance with its decisions.

"It's a Soviet Union suggestion," she said. "It is one that the United States is interested in exploring."

The meeting was called after some UN members expressed concern at the United States' decision to conduct what it called "interdiction" of shipping to and from Iraq to ensure that international trade sanctions, imposed by the UN on Aug. 6, were not violated. Britain and Australia also have ordered their navies to intercept ships trading with Iraq.

On Monday, the United States found itself awkwardly out in front of the Security Council. It was isolated from most of the 14 other members, who said Washington moved too quickly and should have waited for a council decision before using force to police the UN embargo.

A French Foreign Ministry statement on Tuesday implied that the United States, along with Britain and Australia, had pre-empted the Security Council.

In a news conference Tuesday, Mr. Bush defended the U.S. naval action and rejected a suggestion that it was upsetting some UN members that are Washington's allies.

"I don't think we're upsetting members in our policy of interdiction," he said. "We are acting within our legal rights."

The United States holds that the UN Charter authorizes the naval blockade by sanctifying a right of self defense. Kuwait's deposed government, driven into exile by Iraq, has requested the blockade.

A U.S. official said that the fact that Washington was exploring the military committee idea "shows we have no intention of ignoring the United Nations."

The Soviet foreign minister, Eduard A. Shevardnadze, had discussed using the military committee in recent telephone conversations with U.S. Secretary of State James A. Baker 3d before the talks were widened to involve the other permanent Security Council members — Britain, France and China.

Undersecretary of State Robert M. Kimmitt was to meet later on Tuesday with the ambassadors of the five to explore the idea.

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Jordan's King Shuttles From Baghdad to U.S.

Compiled by Our Staff From Dispatches

AMMAN, Jordan — King Hussein returned Tuesday from previously undisclosed consultations with President Saddam Hussein in Baghdad and immediately boarded a plane for the United States and talks with President George Bush on Thursday.

As the king's activities were revealed, loaded trucks rumbled out of the Jordanian port of Aqaba on the road to Baghdad, a lifeline for Iraq and in effect a loophole in the United Nations sanctions.

The Jordanian king has been trying to act as a mediator in the crisis created by the Iraqi leader's invasion of Kuwait on Aug. 2 and Kuwait's later annexation.

Officials and diplomats said the king, who met President Hussein on Monday, would meet Mr. Bush and explain his stand on UN sanctions against Iraq.

Marlin Fitzwater, the White House spokesman, said the meeting was arranged at the king's initiative in telephone conversations with Mr. Bush on Monday night.

Mr. Fitzwater said the Jordanian monarch would leave Kennebunkport, Maine, where the president is vacationing, immediately after his talks with Mr. Bush.

The official Petra press agency said King Hussein had gone to Washington "as part of his efforts to contain the current Gulf crisis."

The agency said the king had talked Tuesday about the crisis by telephone with the leaders of Yemen, Tunisia, Sudan and the Palestine Liberation Organization.

King Hussein recently spoke of his "impossible job" in trying to reach a diplomatic solution to the crisis, indicating pessimism that the conflict could be resolved without violence.

The king forged a close alliance with President Hussein at the start of the Iran-Iraq war in 1980. The Iraqis used a truck route from Aqaba to bring in weapons and other supplies.

But the king has stressed that he still recognizes the government of the Kuwait's exiled emir.

King Hussein has taken a strong stand against sending U.S. forces to Saudi Arabia to protect against a possible Iraqi attack. He has also criticized an Arab summit conference decision to send Arab troops to the region.

The U.S. involvement in the Gulf has led to anti-American demonstrations in Amman and several other Jordanian cities.

King Hussein flew by helicopter to the Iraqi border on Monday and drove to Baghdad for a two-hour session with the Iraqi leader.

The king's younger brother, Crown Prince Hassan, said Tuesday that Jordan could not move immediately to enforce sanctions.

"Clearly, in terms of implementation, we just don't turn off a

See ARABS, Page 4

By Sending Troops, Syria Takes Significant Turn

By Jackson Diehl
Washington Post Service

JERUSALEM — By sending troops to Saudia Arabia, President Hafez Assad of Syria is undertaking a political shift that may be among the more remarkable developments of the Gulf crisis, according to Middle Eastern diplomats and analysts.

Although he is a bitter rival of Iraq's president, Saddam Hussein, Mr. Assad's military alignment with the United States and Egypt cuts against the grain of his political identity and that of his nationalist Ba'ath Arab Socialist Party.

For that reason, analysts say they think Mr. Assad has launched an initiative that might boomerang if the U.S.-led effort to break Mr. Hussein does not yield results soon.

"Assad still portrays himself as the head of a radical nationalist Arab regime," said Itamar Rabinovitch, the rector of Tel Aviv University and author of the book "Syria Under the Ba'ath."

"It does not behoove him to be seen as cooperating with the United States against another nationalist Arab regime," he said.

For most of his 20 years in power, Mr. Assad has been the foremost representative of hard-line anti-Western opinion in the Arab world. He led Arab resistance to the Camp David agreements between Egypt and Israel, worked to undermine U.S. presence in Lebanon and has served as the principal military client and surrogate in the region for the Soviet Union.

But the collapse of the Warsaw Pact and the growing power and ambition of Mr. Hussein as an Arab leader have dovetailed to make a shift toward the West Mr. Assad's only viable tactical option, analysts say.

The Soviet leadership under Mikhail S. Gorbachev has refused to back Syria's drive for military parity with Israel, leaving the regional diplomacy of the United States and Egypt as Mr. Assad's only hope of advancing his chief strategic aim — rolling back Israel's occupation of the Golan Heights and southern Lebanon.

At the same time, as the leader of a rival branch of the Ba'ath Socialist movement, Mr. Hussein has long been Mr. Assad's most dangerous Arab rival.

Syria supported Iran in the Iran-Iraq war, and last year Iraq retaliated by backing the Lebanese Christian leader, Michel Aoun, in a violent campaign against Syrian troops in Lebanon.

By joining the Arab force in Saudia Arabia, Mr. Assad now hopes to realize several key aims in addition to blocking Mr. Hussein, analysts say.

In the short term, Syria can be expected to demand major Saudi financial assistance for its struggling economy, and may also request U.S. economic aid.

One expert predicted that Syria could demand up to $3 billion in payments from the Saudis, nominally in compensation for the economic cost of boycotting Iraq and sending troops to the Gulf.

In the longer term, Mr. Assad plainly hopes that in the aftermath of the Gulf conflict, Damascus will emerge as one end of an axis extending to Cairo that will form the

See ASSAD, Page 4

Kiosk

Liberian Rebel Reported Slain

WASHINGTON (UPI) — One of the two rebel factions in the Liberian civil war said Tuesday that it had killed the rival guerrilla leader, Prince Johnson, but the U.S. State Department said he had been seen alive.

Tom Woewiyu, the defense minister for the rebel leader Charles Taylor, said in a telephone interview from Ivory Coast that troops loyal to Mr. Taylor had ambushed and killed Mr. Johnson on Monday on an island near the Liberian capital, Monrovia. But the State Department spokeswoman, Margaret D. Tutwiler, said, "We have a reliable source who saw Prince Johnson today, alive."

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East Germans drove tractors into West Berlin to demand help for farms. Page 2.

Business / Finance

Oil prices advanced, while gold's value surged. Page 13.

Crossword Page 8.

Dow Close	The Dollar In New York	
Up 0.99 2,747.77	DM	1.565
	Pound	1.897
	Yen	148.83
	FF	5.256

Cast Ever Wider, Drift Nets Are Now a Threat to Fishing in the Atlantic

By William K. Stevens
New York Times Service

NEW YORK — Huge drift nets of the kind that ignited international protest in the Pacific Ocean have been spotted for the first time in the western Atlantic and near the Caribbean, touching off concern that marine life could be threatened and fears that commercial and sport fisheries important to the eastern United States could be devastated.

Made of lightweight filament largely invisible underwater, the nets are typically released to drift at night on the high seas.

Stretching to 40 miles (65 kilometers), they hang vertically to a depth of about 30 feet (9.12 meters). They catch fish by their gill covers and trap and suffocate marine mammals.

Asian fishermen who use them in the Pacific have come under increasing pressure from nations who say the nets seriously deplete stocks of commercial fish and indiscriminately trap and kill porpoises, seabirds and a wide range of fish not sought by fishermen.

Taiwainese using drift nets appear to have moved into the Atlantic, possibly in response to the pressure elsewhere, and the critics fear the nets will threaten such large migratory fish as tuna, swordfish, sharks, marlin and sailfish.

In December, the United Nations unanimously adopted a resolution calling for a worldwide moratorium on high-seas use of drift nets after as of July 1992 and said that further expansion of the practice should "cease immediately."

Taiwan is not a UN member; its position on the moratorium is unclear. In any event, conservationists say, large-scale use of the nets could cause heavy damage in the Atlantic in the next two years.

"If those fellows eat up the Atlantic, we've had it," said Sid Johnson, secretary of the Trinidad and Tobago Game Fishing Association. He said he had observed and photographed 15 Taiwanese vessels at the dock in Port of Spain. His report is believed to be the first evidence of the nets in the western Atlantic-Caribbean area, and has sounded the alarm for marine conservationists.

The United States has queried Taiwan, but the State Department's director of fisheries affairs, Larry Snead, said there had been no response.

Taiwanese using drift nets have also been reported in Atlantic waters off some African nations in the last six months, Mr. Snead said. Still other reports have placed net fishermen in the Indian Ocean.

But he said the department had been unaware until recently of the reported movement into the western Atlantic. If true, he said, "it's a new fishery for them, and one which we would feel is contrary to the UN resolution."

Sharks, which have become an increasingly popular food in the United States, are especially threatened by the prospect of Atlantic drift net use because they are slow to reproduce, said Carl Safina, the National Audubon Society's director of marine conservation.

"It would take decades for the sharks to recover from the kind of fishing these things could accomplish in two or three years," said Mr. Safina, who has conferred extensively with Mr. Johnson.

The potential problem, he said, is the undermining of U.S. efforts to manage populations of highly migratory fish in American waters.

Species like swordfish, tuna, marlin and sailfish roam the entire Atlantic, Mr. Safina said, and drift net fishermen could intercept such fish on the high seas and reduce their numbers before they return to U.S. waters.

Particularly vulnerable are swordfish. "Most people agree that swordfish are on the verge of collapse because there are fewer mature fish in the population," he said.

Also of particular concern, he said, is the giant bluefin tuna, one of the world's largest vertebrates, which has been reduced to "very low levels" in recent years. Mr. Safina said he thought drift nets would intercept and catch bluefins as they spawn in the Caribbean. "These are the fish that populate our coast," he said.

Trinidadian fishermen who have heard the Taiwanese over the radio say that they have been working waters off South America where nutrients from the Amazon River attract fish, Mr. Johnson said. But since the international waters where they operate are huge, none have been directly observed at work in the western Atlantic.

East Germans on Tractors Rally in West Berlin for Farm Aid

Compiled by Our Staff From Dispatches

BERLIN — East German workers drove tractors, combines and lumber trucks into West Berlin on Tuesday to demand help for their farms and the forest industry.

More than 5,000 protesters rallied before the Reichstag building, which will be the parliament of a united Germany.

Farmers and forestry workers, who have been hurt by the changes in East Germany, are seeking higher wages and job security. Imported products from the West have cut demand for East German items.

Inefficiency is another topic of contention.

"We have such old machines, some of them made before the war," said Alexander Witt, 20, from Schönefeld near Berlin. "We're supposed to compete in a capitalist system, but it's hard with such old machines that often break down and need repairs and maintenance."

The protesters drove to the Reichstag building in dozens of farm and forestry vehicles. The police said the number of protesting farmers, lumber workers and their supporters had reached 5,000.

Some took the opportunity to sell their products, which have been unable to compete with Western goods flooding East Germany.

"If we don't sell, we can't keep working," shouted a burly farm worker as he sold potatoes and peppers.

The banner on the side of his truck read: "We can't go on like this. Unemployment will be the result."

A woman and a man did a lively business selling frozen chickens for 5 Deutsche marks ($3.15) each.

Farmers and forestry workers are planning a nationwide, two-hour strike for Wednesday to press their demands. About 50,000 agricultural workers are expected to rally at the Alexanderplatz, the central square in East Berlin, in conjunction with the strike.

East Germany's agricultural sector, driven for four decades by Communist governments before the inauguration of a free-market administration this year, is collapsing under the weight of competition. About half of the farms are technically bankrupt, economists say. That means hard times for the 800,000 farmers who work the country's collectives.

Most of the workers taking part in the protest said they earned about $500 to $550 a month in base pay, adding they needed overtime to survive.

The four World War II Allies, which have controlled Berlin airspace for 45 years, began talks on Tuesday with the two German states on air transport in a united Germany. When East and West Germany merge the new Germany will regain full sovereignty over airspace as well as territory.

Senior diplomats from Britain, France, the United States and the Soviet Union met West and East German officials at Tempelhof airport in West Berlin, which is operated by the United States.

The negotiations will cover the turning over of air traffic responsibilities to Germany and ensuring safety in a transitional phase.

"The great concern is for air safety," an official said. "The aim is to have a smooth transition plan in place by the time the Allies hand control to the Germans."

Since the defeat of Nazi Germany in 1945 the Four Powers have had exclusive control over airspace above the city and along three corridors leading to West Germany.

In 1948 and 1949 the Western Allies used the corridors to supply West Berlin by air when the Soviet Union blockaded the city. Now only British, French and U.S. airlines fly those routes from West Berlin's Tegel airport, which took over from Tempelhof as the main commercial air center in the mid-1970s. *(AP, Reuters)*

Foreigners Evacuated From Rebel-Held Port After Fleeing Monrovia

Compiled by Our Staff From Dispatches

ABOARD THE USS SAIPAN — U.S. Marines flew helicopters into a rebel-held port in Liberia to carry 97 foreign nationals, including at least four Americans, to safety after they had fled the capital, Monrovia, to escape heavy fighting.

Many of the foreigners evacuated on Monday had sought refuge in the West German, Spanish and Italian embassies after being trapped by the fighting in the eastern suburbs.

"People were petrified that the government forces would start using rockets to get the rebels out of the area," said Jeanette Carter of Colorado, a lecturer in anthropology at the University of Liberia, after being evacuated to the Saipan. "We were frightened of being accused of being rebel sympathizers by the government."

It was the first helicopter evacuation of foreigners from deep inside rebel territory. Almost 200 people have so far been taken by helicopter from the U.S. Embassy.

The foreigners left Sunday night in a convoy bound for Buchanan, about 145 kilometers (90 miles) southeast of Monrovia. The port is controlled by rebels of the National Patriotic Front, led by Charles Taylor. The rebels insisted that the Marines carrying out the evacuation from a beach in Buchanan be unarmed.

The evacuees, who included the Spanish ambassador and the papal nuncio to Liberia, were airlifted Monday morning to the Saipan, an amphibious helicopter carrier, moored four miles off Buchanan.

The evacuees included at least 16 Spaniards and 15 West Germans, as well as smaller numbers of citizens of India, Lebanon, Switzerland, France, Britain, the Netherlands and Guinea. There were also 21 Liberians, mostly dependents of U.S. citizens.

"We are very happy to be here," said Manuel de Luna, the Spanish ambassador. "Our trip was extremely difficult."

The Saipan is one of four U.S. ships off Liberia with a contingent of about 2,100 Marines.

More than 200 Marines were airlifted to Monrovia on Aug. 5. *(AP, Reuters)*

Tax Man Calls, And Italians Hoist the Sails

Reuters

ROME — A police crackdown against suspected tax dodgers aboard yachts and cabin cruisers caused hundreds of luxury vessels to set sail in a hurry from Italian ports. Most headed for Corsica, Yugoslavia or the Greek islands.

Italy's finance police, who investigate financial or fiscal crimes, said Tuesday that 500 officers boarded 10,500 boats during the weekend crackdown, code named Operation Albatross, to check whether the owners had declared their vessels on tax returns.

A pastry cook at the tiller of a yacht worth 500 million lire ($400,000) said he was authorized by the owner to use the vessel for his bakery business. The owner had declared his annual income as 15 million lire. Other yachts were registered as belonging to nonexistent companies, housewives and traveling salesman.

Pascal Volery/The Associated Press

HOME AT LAST — Elio Erriquez, freed after 10 months of captivity in Lebanon, raising his arms to greet friends Tuesday on his arrival in Geneva. Mr. Erriquez flew home with Emmanuel Christen, a fellow Red Cross worker. They were seized Oct. 6 in Sidon.

Indonesia Dissidents Ask Suharto to Step Down

Reuters

JAKARTA — A group of prominent Indonesians issued a public demand on Tuesday for President Suharto to step down and allow more democracy in Indonesia.

"President Suharto's five terms in office shall be considered enough, while future presidents should do with two terms only," said a petition signed by a group of 58 Indonesians, including retired generals, former ministers, human-rights campaigners and religious leaders.

Most signers belong to the so-called Group of 50, a dissident group set up 10 years ago and led by a popular former governor of Jakarta, Ali Sadikin, a retired marine lieutenant-general and critic of the Suharto government.

Mr. Suharto, who has been in power for nearly a quarter of a century, has yet to say whether he will run again after his term expires in 1993, a year after general elections.

Speculation has been widespread that one power group or another, most notably sections of the military, want him to step aside. But tight press controls ensure that little of the succession debate is made public.

The petition, read in a private house to a group of about 70 people, about one-third of whom were diplomats and foreign journalists, also demanded greater democracy.

"Decrees, laws and procedures running against democratic principles shall be rewritten to secure democracy as promised by the constitution," it said.

Mr. Sadikin said changes were needed in laws for elections, the establishment of political parties and the makeup of parliament.

"Let the people do what they want, be more free," he said.

A diplomat said: "I don't think it'll make any difference. The most they can be is a catalyst."

He added, "There's only one group that matters and they have yet to show their hand," referring to the army.

Bush Threatens the Democrats With Automatic Budget Cuts

Compiled by Our Staff From Dispatches

WASHINGTON — President George Bush threatened on Tuesday to impose across-the-board cuts in government spending this fall unless congressional Democrats worked with him in reaching a budget agreement.

Mr. Bush called a news conference and read a lengthy and strident statement demanding that the Democrats offer concrete proposals at the continuing bipartisan talks to cut the federal budget deficit.

"I feel I kept my share of the bargain," Mr. Bush said. "Now it is up to the Democrats who control Congress."

He criticized Democratic-designed spending bills already passed by the House and pledged to veto any measure that "breaks the budget."

Mr. Bush said the alternative to an agreement on the deficit was automatic budget cuts. As painful as that might be, he said, Democrats "will bear heavy responsibility for the consequences."

The Gramm-Rudman budget law calls on the president to impose such across-the-board spending cuts if the fiscal 1991 deficit is exceeded. That now appears certain, with the latest administration figures showing that $100 billion in cuts will be needed to reach the $64 billion target.

Mr. Bush said repeatedly that he was willing to work with the Democrats in forging a budget accord, but he also sharply criticized their behavior during the three-month budget negotiations.

He said he had put everything on the table, including possible tax increases, and said: "They've been laughing all the way to what they think is the electoral bank."

The budget deficit is expected to become a highly partisan issue in the fall congressional election campaign.

Repeatedly criticizing the "Democratically controlled Congress," Mr. Bush said it had done little to help him solve the federal deficit, which he said "constitutes a real threat to the economic well-being of our country."

"One hundred days after I called on Congress to work with me," he said, the Democrats have "failed to offer one single proposal to the budget."

"The Democratic leadership must understand that the people expect them" to help cut the deficit, Mr. Bush said.

The president met Tuesday with his financial advisers at the White House after his return from his Maine vacation home. He intends to return to Maine on Wednesday.

Mr. Bush said he had done everything he could, referring to his abandonment of his "no new taxes" campaign promise, to get the budget talks moving.

But he said the Democrats were dragging their feet at the talks while passing budget-busting legislation.

Of the 10 appropriations bills approved so far by the House, eight have exceeded his requests, Mr. Bush said. In addition, Congress is considering legislation for public financing of congressional elections.

Mr. Bush promised to use his veto in both areas. *(AP, UPI)*

New U.S. Relations for Israel and Jordan

By Thomas L. Friedman
New York Times Service

WASHINGTON — The Gulf crisis is recasting the United States' relations with two of its oldest Middle Eastern allies, Israel and Jordan.

Upset by the support that King Hussein of Jordan has been giving Iraq in the crisis, administration officials said Monday that if the Jordanians allowed Iraq to use Aqaba, on the Red Sea, to break the United Nations trade embargo, the U.S. Navy would blockade Iraqi ships seeking to use the port.

Such news will make it clear to King Hussein, who often used to boast that he counted every American president since Dwight D. Eisenhower, especially George Bush, as a personal friend, how far Jordan and the United States are drifting apart. For his part, the king said the United States forces in the region had created an "explosive situation."

While the administration is seeking to induce King Hussein to drop his support for President Saddam Hussein and join in the anti-Baghdad boycott, the Bush team has been asking Israel to keep quiet and not to undertake any military actions in the Gulf.

It is no accident that virtually the only two Middle Eastern leaders whom President Bush has not telephoned since the Gulf crisis began are the Iraqi president and Prime Minister Yitzhak Shamir of Israel.

The Israelis did get a call, but of a different nature. According to administration officials, the first phone call made by the United States to any Middle Eastern nation on the night that Iraq invaded Kuwait went from Robert M. Kimmitt, the under secretary of state for political affairs, to Israel's ambassador in Washington, Moshe Arad.

Mr. Kimmitt, officials said, told the ambassador that Washington wanted Israel to keep its head down and its guns holstered. The more public the Israelis were and the more active they were on the military front, he said, the more difficult it would be for the United States to assemble and maintain an Arab coalition against Iraq.

Since then, Mr. Arad has been meeting regularly with senior administration officials but always in private and without fanfare.

Israeli leaders have indicated that, for now at least, they understand and are prepared to cooperate by quietly sharing their intelligence on Iraq with Washington and to support U.S. military actions in the Gulf through a variety of means.

What these actions might be the Pentagon and Israeli officials refuse to disclose, but they are understood to be extensive. Officials said Mr. Shamir sent Mr. Bush a private letter last week assuring him that Israel was prepared to cooperate to deter "Iraqi aggression" in any way that Washington suggested.

For now, that way remains as unobtrusive as possible. Administration officials were relieved when it was decided that Secretary of State James A. Baker 3d would go to Turkey at the end of last week, precisely when he was scheduled to meet with Israel's new foreign minister, David Levy, to talk about Israeli-Palestinian peace negotiations.

American officials wanted the Baker-Levy meeting postponed so that no picture would be sent around the Middle East showing the two men standing together in the State Department lobby.

Another reason was reports quoting leaders of Israel's governing Likud bloc as having said that the Iraqi invasion had proved that the real problem in the Middle East was not the Palestinian issue but the belligerent nature of certain Arab nations.

American officials said Mr. Arad had told his superiors in Israel that for the sake of U.S.-Israel relations it would be best that they forgo making strident propaganda points at this time and lie low.

The ambassador is also understood to have told his superiors that although the crisis was underscoring Israeli arguments about the violent nature of Middle Eastern politics and highlighting Israel's value as a loyal ally, it could in the long run work to Israel's disadvantage.

In particular, Israeli officials are concerned that a "bonding" between the United States and segments of the Arab world is now taking place at all levels, from the president down to the foot soldier stationed in Saudi Arabia.

If the Iraq crisis is resolved, some Israeli analysts predict, the moderate Arab countries will say to Washington: "We helped you turn back the Iraqi occupation of Kuwait, and we paid a high political price for that in our countries. Now you have to help us roll back the Israeli occupation in the West Bank and Gaza. How can you be opposed to the Iraqi invasion of Kuwait and not the Israeli occupation of the West Bank?"

For now, though, it is Jordan's cooperation that the administration wants most in order to complete the encirclement of President Hussein. It will not be easy to enlist.

Jordan, already $9 billion in debt, gets 95 percent of its oil from Iraq as well as a large percentage of its foreign currency from Iraqi shipping through Aqaba. It receives a meager $50 million in aid from the United States, compared with $2 billion a year that goes to Egypt.

Finally, the king is a lonely man in a dangerous neighborhood. He has watched in recent years as his tacit allies in Israel's Labor Party, who moved troops to save him from Syria in 1970, have been replaced by a Likud government that boasts it is prepared to allow Jordan to be turned into a Palestinian nation.

King Hussein has no illusions about the Iraqis. It was President Hussein's predecessors in the Arab Ba'ath Socialist Party of Iraq who, in 1958, burst into the Rihad Palace in Baghdad and pumped bullet after bullet into his Hashemite cousin, King Faisal, then the ruler of Iraq.

"The king is now trapped between his Arab obligations, his international obligations and his desire to survive," said Marvin C. Feuerwerger, an expert on Jordan at the Washington Institute for Near East Policy.

"He saw what happened to his cousin," he said. "He saw what happened to his fellow Arab kings, and he made a strategic choice to side with Iraq."

BUSH: *Aqaba 'Should Be Closed'*

(Continued from page 1)

Palestinian efforts to recover Israeli-occupied territory.

Mr. Bush said there was no agenda for the talks, which he said had been initiated by King Hussein. They are to take place at Mr. Bush's summer home in Kennebunkport, Maine.

With evident pique, Mr. Bush said he did not understand, nor did he agree with, a comment this week by King Hussein that the American presence in the Gulf region had created an "explosive situation."

He said he did not know whether King Hussein was carrying a message from Saddam Hussein.

"Maybe that's what he wants to talk about," the president said. "I hope it is."

He said the king was not acting "as a specific emissary of some kind or another."

Mr. Bush declined to specify the cost of the deployment of troops and naval vessels to the Gulf region, although he said he might receive information about that when he visits the Pentagon on Wednesday.

Moscow Asks Controls on Arms Sales

MOSCOW (Reuters) — The Soviet Union, which supplied most of the arms used by Iraq in the invasion of Kuwait, called Tuesday for international restrictions on all arms sales.

The Tass press agency reported that Foreign Minister Eduard A. Shevardnadze had sent a letter to the UN secretary-general, Javier Pérez de Cuéllar, proposing talks with the United States and other world suppliers as well as arms recipients. The Soviet Union, which suspended arms deliveries to Iraq after the invasion, suggested that a world register of arms sales be kept at the United Nations.

The government newspaper Izvestia gave Soviet readers for the first time an insight into the scale of Moscow's deliveries to Baghdad. It quoted Western estimates that arms worth up to $13 billion, including tanks, missiles and guns, had been sold in the last 10 years.

U.S. Judge Bars 'Dial-a-Porn' Law

Washington Post Service

NEW YORK — A federal judge has barred enforcement in New York State of legislation passed hastily by Congress last year in an attempt to prevent minors from listening to sexually explicit telephone recordings.

Judge Robert P. Patterson Jr. of U.S. District Court made his ruling on Monday, saying that the law "presents a threat of imminent irreparable harm to First Amendment freedoms," which include freedom of speech. The law was to have taken effect on Wednesday.

Although Judge Patterson's ruling affects only New York State, officials of the Federal Communications Commission said it could be adopted nationally.

The law, sponsored by Senator Jesse Helms, Republican of North Carolina, is aimed almost exclusively at the lucrative and fast-growing "dial-a-porn" industry. It prohibits obscene telephone messages, bans any service that makes indecent messages available to those under 18 and requires adults who want to hear them to subscribe in writing.

WORLD BRIEFS

85 Tamils Massacred in Sri Lanka

COLOMBO (Reuters) — About 85 Tamil villagers were hacked to death on Tuesday, apparently in retaliation for the killings of hundreds of Muslims, residents said.

About 100 other Tamils were wounded when a gang with knives and axes attacked the villages of Chenkaladi and Kudiruppu in the eastern Batticaloa district, witnesses said. The said they thought the attack was carried out by Muslims to avenge recent killings attributed to Tamil guerrillas.

Military sources and Muslim leaders said that at least 387 Muslims have been killed in attacks on villages and mosques in the Batticaloa and Amparai districts since the beginning of August. They said the Liberation Tigers of Tamil Eelam, fighting to set up an independent state, were responsible.

13 Are Killed in Kashmir Fighting

JAMMU, India (AFP) — A total of 13 people were killed on Tuesday in the disputed territory of Kashmir, where troops enforced a curfew to prevent Muslim separatists from sabotaging India's independence day, officials said.

Gunfights between troops and militants flared as secessionists hoisted the Pakistan flag on government buildings to mark that country's independence Tuesday, a day before India's, officials said. Three soldiers and three militants died in exchanges in the towns of Pulwama, Baramula and Srinagar, they said. Authorities imposed curfews following reports that Muslim groups were planning to sabotage India's annual independence day celebrations on Wednesday.

India and Pakistan, which have fought two wars over Kashmir, gained independence from Britain in 1947. Pakistan controls a third of Kashmir and disputes New Delhi's control of the remainder.

Cancer Aid May Deter Heart Disease

WASHINGTON (UPI) — A hormone-blocking drug used to prevent recurrence of breast cancer may also help guard against heart disease, researchers said Tuesday.

In a two-year study of 140 postmenopausal women who had undergone surgery for early-stage breast cancer, The Journal of the National Cancer Institute reported that the drug tamoxifen reduced the likelihood of further cancer and significantly lowered cholesterol levels. Studies have shown high cholesterol levels can be a major risk factor for heart disease.

Tamoxifen, which blocks cellular intake of the hormone estrogen, has been widely used in post-surgical treatment for women with estrogen-dependent breast cancers. The new report said that tamoxifen lowered women's total blood cholesterol by an average of 12 percent and reduced low-density lipoprotein — "bad cholesterol" — by about 20 percent.

Yeltsin to Monitor Group on Change

SVERDLOVSK, U.S.S.R. (Reuters) — Boris N. Yeltsin said Tuesday that he would abandon a tour of the Russian Republic and return to Moscow because of disputes in a group seeking compromise on economic change with the Soviet president, Mikhail S. Gorbachev.

Without elaborating, Mr. Yeltsin, president of the Russian Republic, said the trip was linked to the work of a commission set up by the national government and the more radical administration of the republic. Russia has been pushing for faster progress toward a market economy than the Soviet government.

Meanwhile, Armenia's new president, Levon Ter-Petrossian, denied news reports that he would meet with Aziz Mutalibov, the president of Azerbaijan, to discuss territorial disputes that have cost hundreds of lives in the last two years.

South Africa Link With Madagascar

ANTANARIVO, Madagascar (AP) — South Africa established trade relations on Tuesday with Madagascar, which has had one of Africa's strongest policies of isolating the Pretoria government.

President Frederik W. de Klerk made a one-day visit to the island nation about 1,300 kilometers (800 miles) east of the South African coast to sign an agreement with President Didier Ratsiraka. The accord provides for economic and commercial cooperation between the two countries.

Foreign Minister R.F. Botha of South Africa said the agreement represented a major breakthrough for South Africa. Although many African nations have secret trade contacts with South Africa, most have no formal relations because of South Africa's policy of apartheid.

Pakistan Pledges Not to Delay Vote

ISLAMABAD, Pakistan (Reuters) — Pakistan's caretaker prime minister, Ghulam Mustafa Jatoi, vowed on Tuesday that elections promised for October would not be delayed by investigations into corruption charges against the former government of Benazir Bhutto.

Many Pakistanis are skeptical of promises by Mr. Jatoi and President Ghulam Ishaq Khan to hold elections Oct. 24. But Mr. Jatoi, in an Independence Day speech on television on his accession, said: "I want to make it clear that elections will not be delayed by accountability."

After the president dismissed Miss Bhutto's government last week, Mr. Jatoi said that it was the most corrupt in Pakistan's 43-year history and that nobody suspected of abuses would escape. He said Miss Bhutto was free to go to London to join her mother, Nusrat Bhutto, who left Karachi on Sunday.

France Will Move Albanian Refugees

METZ, France (AFP) — More than 500 Albanian refugees will be moved from army camps to "accommodation centers" to help them adapt, officials said.

The decision follows protests by some of the refugees, who have said that they are fed up with France and want to go to the United States. The 543 refugees arrived less than a month ago after being evacuated from the French Embassy in Albania.

The government said the centers would offer welfare advice, language instruction, help with finding a job and advice for those wanting to settle in France or move to another country. Officials said the refugees would be given six-month work and residence permits.

TRAVEL UPDATE

A bomb in Spain believed to have been planted by Basque separatists exploded Tuesday about 50 kilometers (30 miles) north of León, damaging the track on a rail line. The line and two others had been closed Tuesday morning after published bomb threats. *(AP)*

Aeroflot announced Tuesday that on Aug. 25 it would start a weekly flight from Moscow to Katmandu, via Dubai. Royal Nepal Airlines flies twice a week from London via Frankfurt and Dubai, and Lufthansa flies once a week from Frankfurt via Karachi, Pakistan. *(Reuters)*

WEATHER

	HIGH C	HIGH F	LOW C	LOW F	
EUROPE					
Amsterdam	23	73	17	63	fr
Athens	34	93	24	75	s
Barcelona	30	86	23	73	s
Belgrade	31	88	16	61	s
Berlin	28	82	20	68	s
Brussels	25	77	17	63	s
Budapest	29	84	16	61	s
Copenhagen	22	72	17	63	c
Dublin	21	70	11	52	sh
Dubrovnik	29	84	19	66	s
Edinburgh	19	66	12	54	r
Faro	—	—	—	—	—
Florence	30	86	17	63	s
Frankfurt	28	82	18	64	s
Geneva	30	86	19	66	s
Helsinki	20	68	10	50	s
Las Palmas	27	81	22	72	s
Lisbon	—	—	—	—	—
London	24	75	15	59	s
Luxembourg	22	72	14	57	s
Madrid	31	88	18	64	s
Milan	29	84	19	66	s
Moscow	23	73	14	57	s
Munich	28	82	16	61	s
Nice	27	81	20	68	s
Oslo	22	72	15	59	s
Paris	25	77	16	61	s
Prague	28	82	17	63	s
Reykjavik	14	57	10	50	c
Rome	32	90	19	66	s
Stockholm	21	70	15	59	s
Strasbourg	28	82	15	59	s
Vienna	27	81	19	66	s
Warsaw	28	82	17	63	s
Zurich	24	75	17	63	c
MIDDLE EAST					
Ankara	28	82	14	57	fr
Cairo	37	99	22	72	s
Istanbul	28	82	21	70	s
Jerusalem	28	82	17	63	s
Tel Aviv	31	88	27	81	s
OCEANIA					
Auckland	—	—	—	—	—
Sydney	19	66	11	52	cl

	HIGH C	HIGH F	LOW C	LOW F	
ASIA					
Bangkok	33	91	24	75	s
Beijing	32	90	21	70	s
Hong Kong	31	88	27	81	s
Manila	32	90	25	77	s
New Delhi	32	90	25	77	s
Seoul	28	82	24	75	sh
Shanghai	32	90	28	82	s
Singapore	32	90	25	77	t
Taipei	33	91	27	81	s
Tokyo	34	93	27	81	s
AFRICA					
Algiers	33	91	23	73	s
Cape Town	22	72	8	46	s
Casablanca	27	81	20	68	s
Harare	27	81	7	45	s
Lagos	27	81	23	73	s
Nairobi	27	81	13	55	s
Tunis	34	93	24	75	s
LATIN AMERICA					
Buenos Aires	26	82	14	57	r
Lima	—	—	—	—	—
Mexico City	22	72	13	55	t
Rio de Janeiro	—	—	—	—	—
NORTH AMERICA					
Anchorage	24	75	12	54	sh
Atlanta	34	93	23	73	s
Boston	29	84	22	72	s
Chicago	29	84	17	63	s
Denver	30	86	19	66	s
Detroit	29	84	22	72	s
Honolulu	31	88	23	73	s
Houston	35	95	24	75	s
Los Angeles	30	86	21	70	s
Miami	32	90	26	79	s
Minneapolis	23	82	17	63	s
Montreal	24	75	15	59	s
Newport	30	86	21	70	s
New York	30	86	25	77	s
Phoenix	36	97	25	77	s
San Francisco	21	70	13	55	s
Seattle	24	75	13	55	s
Toronto	25	77	14	57	s
Washington	32	90	22	72	s

cl-cloudy; fr-foggy; fr-rain; h-hail; o-overcast; pc-partly cloudy; r-rain; sh-showers; sn-snow; st-stormy.

WEDNESDAY'S FORECAST — CHANNEL: Slight rough. FRANKFURT: Cloudy. Temp. 24 — 13 (75 — 55). LONDON: Rain. Temps. 19 — 12 (66 — 54). MADRID: Sunny. Temps. 33 — 18 (91 — 64). NEW YORK: Sunny. Temps. 29 — 22 (84 — 72). PARIS: Cloudy. Temps. 24 — 17 (75 — 63). ROME: Stormy. Temps. 30 — 17 (86 — 63). TEL AVIV: Not available. ZURICH: Cloudy. Temps. 25 — 15 (77 — 59). BANGKOK: Cloudy. Temps. 33 — 26 (91 — 79). HONG KONG: Not available. MANILA: Cloudy. Temps. 29 — 22 (84 — 72). SEOUL: Rain. Temps. 30 — 23 (86 — 73). SINGAPORE: Showers. Temps. 32 — 25 (90 — 77). TOKYO: Sunny. Temps. 34 — 25 (93 — 77).

Black Candidates in U.S. South: Advances Are Clear, but Final Step Proves Elusive

By Peter Applebome
New York Times Service

ATLANTA — Just a year after L. Douglas Wilder made history in Virginia by becoming the first black elected governor of a state, national attention has been focused on the chances of new breakthroughs by black candidates for governor of Georgia and South Carolina and for the Senate in North Carolina.

But when Andrew Young suffered a crushing defeat last week in the Democratic runoff in Georgia, it underscored that Mr. Wilder's success will be difficult to duplicate.

The candidacies of blacks in those three states are important signs of the remarkable political gains that blacks have made in the South three decades after the end of segregation.

According to a recent report by the Joint Center for Political and Economic Studies, a research group in Washington, 67 percent of the nation's 7,370 black elected officials are in 16 Southern and border states and the District of Columbia.

But some of the gains, as exemplified by Theo Mitchell's candidacy for governor of South Carolina, say as much about a Democratic Party weakened by the defection of white voters as they do about racial progress.

And a recent U.S. Justice Department challenge to Georgia's primary system accented the degree to which gains by blacks are bringing the Democrats risks as well as opportunities as they try to hold on to white voters.

"Young's race points up again just how extraordinary the Wilder victory in Virginia was,"

NEWS ANALYSIS

said Larry J. Sabato, a professor of government at the University of Virginia. "While it is possible for a black to win now in the South, it is never likely a black will win."

Even before Mr. Young's dismal showing, in which he got 38 percent of the vote to 62 percent for Lieutenant Governor Zell Miller, many political analysts said that unique aspects of Virginia politics hid some of the problems black candidates face and that it was a mistake to read too much into the three candidacies this year.

Mr. Mitchell won the nomination of perhaps the most demoralized state Democratic Party in the South and is given little chance of beating the Republican incumbent, Governor Carroll A. Campbell Jr.

Mr. Young, despite his international reputation and moderate record as mayor of Atlanta, attracted only minimal white support.

But in North Carolina, Harvey Gantt faces better prospects in his underdog race against Senator Jesse Helms, the conservative Republican.

Despite the obvious echoes of the campaign last year in Virginia, the differences between the three races and Mr. Wilder's outweigh the similarities, experts say.

Mr. Wilder was nominated by a party convention rather than having to face a primary battle, so he faced the voters only once, in the general election. He found an issue, support for abortion rights, that attracted a white constituency.

His opponent ran what was considered a weak campaign, and his state, Virginia, includes the Washington suburbs with a white constituency more sympathetic than those in Georgia, North Carolina or South Carolina.

"Wilder only had to win one race," Mr. Sabato said. "He had the silver bullet of abortion, which was the hot issue. He had a divided Republican Party. And he still won by only 6,800 votes."

Mr. Young tried to run a low-key race much like Mr. Wilder's, courting white voters and counting on solid black support. Instead, he made few inroads among whites and failed to generate great enthusiasm among blacks.

Polls showed that the most important factor in the election was not race, but Mr. Miller's support for a lottery to finance education. But polling also found that about a third of the white voters were highly unlikely to vote for a black.

In South Carolina, Mr. Mitchell faces heavy odds in trying to unseat Mr. Campbell.

Mr. Mitchell has one paid staff member and has raised $200,000 as against $1.7 million raised by Mr. Campbell.

Mr. Mitchell's nomination comes at a time when whites are continuing to desert or ignore the Democratic Party in South Carolina. In 1978, 455,000 people voted in the Democratic primary, with blacks making up 29 percent of the vote. This year only 204,000 votes were cast, with blacks making up about 50 percent of the vote.

The number of Republicans in the 170-member state legislature has increased to 53, from 23 in 1982.

To many analysts, the real message of Mr. Mitchell's primary victory is that the Democratic Party in South Carolina is continuing to lose white support and is in danger of losing its ability to compete for major races.

"For a lot of whites, particularly younger whites, the Democratic primary is not on their political radar screen anymore," said Earl Black, a professor of political science at the University of South Carolina.

The issue could be complicated by the U.S. Justice Department challenge to the election rules in Georgia that mandate a runoff if no candidate wins 50 percent of the primary vote. Other Southern states have similar rules.

Some blacks say that the runoff rules dilute black voting strength and that the abolition of runoffs would make it easier for blacks to win primaries. But many experts say that if runoffs are ended, the big winners would be Republicans, who would be more likely to face a candidate without broad-based support among Democrats.

"They will elect more Republicans if they succeed in abolishing the runoff," Mr. Sabato said.

Like Mr. Mitchell, Mr. Gantt, a former mayor of Charlotte, won his nomination after the top Democratic contenders, including former Governor James Hunt, declined to run.

Unlike Mr. Mitchell, polls show Mr. Gantt running strongly. But Mr. Helms trailed Mr. Hunt by large margins in early polls in 1984 only to mount a big-money, brass-knuckles campaign that won.

Mr. Gantt says the contrast with a conservative like Mr. Helms helps his campaign. Analysts say that unlike Mr. Young's race against the moderate Mr. Miller, the presence of Mr. Helms on the ticket will ensure a large black turnout no matter what kind of race Mr. Gantt runs.

There is enough anti-Helms feeling in North Carolina that any serious challenger is believed to begin the race with at least 40 percent of the vote. Getting to 50 percent is the hard part.

If the races this year represent steps on a long journey rather than the full arrival of blacks in Southern politics, a win by Mr. Gantt over Mr. Helms would be at least as significant as Mr. Wilder's victory last year.

Barry Quits the Democrats To Save Electoral Option

Washington Post Service

WASHINGTON — Mayor Marion S. Barry Jr. has quit the Democratic Party to preserve his option of running as an independent for an at-large seat on the District of Columbia City Council in November.

Mr. Barry, who awaits sentencing for his conviction on one count of cocaine possession, declined to say whether he would run for the council or any other office.

He said he had changed his party status after nearly 12 years as titular head of the D.C. Democratic Party to keep his "options open."

Mr. Barry missed the deadline for running as a Democrat while standing trial on drug and perjury charges, and Monday was the last day he could change his party affiliation to qualify to petition to appear on the Nov. 6 ballot as an independent. He has until Aug. 29 to gather the signatures of 3,000 registered voters needed to appear on the ballot.

At the start of the trial, Mr. Barry said he would not seek reelection to a fourth four-year term as mayor because, he said, he and the city needed time to "heal." But on Monday, he indicated that he expected to remain active in public life.

On Friday, a federal jury found Mr. Barry guilty on one count of cocaine possession and not guilty on a second count. It was unable to reach a decision on the remaining 12 charges against him, resulting in a mistrial of those charges.

Hedley Donovan Is Dead at 76, Former Editor in Chief of Time Inc.

New York Times Service

NEW YORK — Hedley Donovan, 76, a former editor in chief of Time Inc. who was credited with enhancing the journalistic stature of Time magazine, died Monday at a hospital here after a long illness.

Mr. Donovan joined Time Inc. as a reporter for Fortune magazine in 1945 and served as its managing editor before becoming editorial director of Time Inc. In that post, he was second in editorial command to the company's co-founder, Henry Luce.

As editor in chief for 15 years beginning in 1964, Mr. Donovan was responsible for the content of all Time Inc. publications, including Time, Life, Fortune, Sports Illustrated, Money and People. He retired as editor in chief in 1979 and served one year as an adviser to President Jimmy Carter.

Mr. Luce, Time Inc.'s first editor in chief, tapped Mr. Donovan to be his successor. Mr. Donovan used the opportunity to redirect Time from the often-polemical coverage that reflected Mr. Luce's conservative views on foreign affairs to more balanced reporting.

He also installed what became known as the Donovan Charter, which made the editor in chief answerable only to the company's board of directors and codified the tradition under Mr. Luce of separating news and business operations. The effect was to grant the managing editors of all Time Inc. magazines a sense of independence from business considerations.

Mr. Donovan presided over a highly successful period in which Money and People magazines were created, Fortune went from monthly to twice-a-month publication, and Life was revived as a monthly after ceasing publication as a weekly.

B. Kliban, 55, Cartoonist Who Drew a World of Cats

NEW YORK (NYT) — B. Kliban, 55, an art-school dropout whose cartoons of hordes of round-eyed, striped cats became a multimillion-dollar craze, died at a San Francisco hospital Sunday, two weeks after undergoing heart surgery.

Mr. Kliban achieved best-seller prominence in 1975 with his first book, "Cat," which featured cats in oversized tennis shoes, drunken-looking cats wearing paper hats and "Momcat," who packed her kitten in a kangaroo-type pouch. By the mid-1980s, his cats — on calendars, greeting cards, sheets, umbrellas and many other products — were a $50 million industry.

Charles Marquis Warren, 77, Novelist and Film Scenarist

LOS ANGELES (LAT) — Charles Marquis Warren, 77, a novelist and film scenarist whose fascination with frontier lore helped bring such adult Westerns as "Gunsmoke," "Rawhide" and "The Virginian" to television screens, died here Saturday after undergoing surgery for an aneurysm.

Mr. Warren's film credits in Hollywood, where he worked as as a writer and eventually as a director, included "Beyond Glory," "Streets of Laredo," "Springfield Rifle," "Pony Express," "Seven Angry Men" and "Flight to Tangier."

■ *Other Deaths:*

Marsh Jeanneret, 73, a book publisher and the longtime director of the University of Toronto Press, of a heart attack Friday in King City, Ontario.

Max Bergerre, 86, a French journalist whose tenure as a Vatican correspondent spanned the reigns of six popes, of cancer Sunday in Rome.

Ethyl Eichelberger, 45, a flamboyant actor, performance artist, clown and playwright, Saturday in New York; friends said he had AIDS and had committed suicide.

Walter James Lopp II, 51, an investment banker and an innovator in corporate financing, of a heart attack Friday at his vacation home in France.

John G. Briggs Jr., 74, author and former opera critic for The New York Times and New York Post, Friday after a long illness at his home in Pennsauken, New Jersey.

Gilberte Duclos, 79, a heroine of the World War II French Resistance and widow of the postwar leader of the French Communist Party, Jacques Duclos, on Wednesday.

Thousands in N.Y. Face 2d Day Without Power

Compiled by Our Staff From Dispatches

NEW YORK — Much of lower Manhattan remained blacked out Tuesday for a second day, leaving thousands of apartment dwellers without water or lights as crews worked to repair an electrical substation damaged by fire.

Beekman Downtown Hospital was under emergency power, and hundreds of businesses were closed or operating on electricity provided by backup generators.

The fire in a Consolidated Edison substation near the Brooklyn Bridge at about noon Monday cut power to most of lower Manhattan, darkening most of the city's financial district, stranding hundreds of people in elevators and stopping subways.

On Tuesday, subways were running, but the power outage continued in an area about a half-mile square along the East River south of the bridge.

Consolidated Edison said the blackout area was around the South Street Seaport, a market and restaurant complex surrounded by apartment houses and a number of Wall Street firms.

Service to the area was not expected to be restored for several days, utility officials said.

But across town the World Trade Center, where many people had been trapped in elevators Monday, was back in business.

The smoky blaze forced the utility to shut off power Monday to almost all of lower Manhattan.

The American Stock Exchange, which was forced to close Monday, opened on time Tuesday morning, a spokesman said. The Commodity Exchange and the New York Mercantile Exchange also closed Monday. The New York Stock Exchange was not affected.

(UPI, NYT, Reuters)

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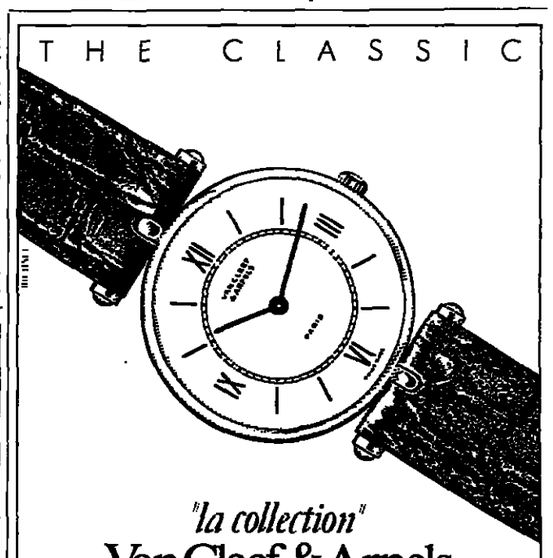

"la collection"
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FACE-OFF IN THE GULF: Washington advises Americans trapped in Kuwait against trying to escape into Saudi Arabia

Cheney Warns Iraq On Chemical Arms

Reuters

FORT STEWART, Georgia — Defense Secretary Dick Cheney warned Iraq on Tuesday that U.S. forces had a "wide range" of options in responding to any chemical arms attack by Iraq in the Gulf.

He said President George Bush would make the final decision on retaliation in any such attack.

"I cannot conceive of a situation in which the United States would want to use chemical weapons," Mr. Cheney said in answer to a question at a news conference.

"The president has a wide range of options available to him in terms of our military capability," he said, "and he would be the one who ultimately would make a decision about how to react."

Mr. Cheney flew to Fort Stewart from Washington to meet members of the U.S. Army's 24th Mechanized Infantry Division who are being sent to Saudi Arabia to join a U.S. military force.

He was asked whether U.S. forces were prepared to use chemical weapons to respond to any chemical attack by Iraqi forces.

"I would not want to speculate on exactly how we might respond overall and beyond our defensive measures," he said. "Obviously, the U.S. military has a wide range of capabilities that could be brought to bear against Iraq should Saddam Hussein be foolish enough to try to use chemical weapons on American forces."

Mr. Cheney said Iraq had the capability of chemical warfare and had used such weapons in the past.

"We have to be prepared for that," he added, an apparent reference to earlier Pentagon statements that U.S. troops would be equipped with protective suits. "I think from the standpoint of our forces, their training and their equipment, we are indeed prepared to deal with a chemical attack should that occur."

He said the United States was amassing a force strong enough to deter or meet any attack on Saudi Arabia by Iraqi forces.

Mr. Cheney will fly to Saudi Arabia on Friday to visit U.S. troops and confer with King Fahd. He may visit other nations before returning Tuesday to Washington.

Agence France-Presse

West Germans carrying ammunition onto a minewseeper in Kiel that will sail to the Mediterranean.

BONN: *New Role Studied*

(Continued from page 1)

— instead of NATO — for loosely coordinated military actions in conjunction with the United States. NATO's charter confines its members' joint action to the European theater, and France declines to participate in NATO-led military activities.

When Iran threatened Kuwait's oil tankers at the height of the Iran-Iraq war, the European allies invoked a WEU resolution to justify their decision to join the U.S.-led force in the Gulf.

In that crisis West Germany sent its minesweepers, rated among the world's best, to the Mediterranean to replace European ships that had left their NATO positions to proceed to the Gulf. But the West German warships did not leave the European theater.

West Germany has been particularly reluctant to get involved in Middle Eastern crises, even under United Nations auspices, apparently because of sensitivity toward Israel.

The proposed new WEU task force would include warships from the European allies that are not already present in the Gulf, including Italy, the Netherlands and Belgium.

West Germany's force would probably number four or six minesweepers, with two or four supply ships. They would rely on allied warships for protection in any major battle.

In explaining the new outlook in Bonn, a West German official said that "others expect more of Germany now," implying that German forces needed to play a role with wider global reach as Germany assumes a leading role in Europe.

U.S. Telling Americans In Kuwait Not to Flee

The Associated Press

WASHINGTON — The Voice of America is cautioning Americans trapped in Kuwait not to try to cross into Saudi Arabia, the State Department said Tuesday.

About 500 Americans have already been able to slip across the border, penetrating lax Iraqi security, but a caravan of others who tried to flee were forced to beat a sweltering retreat.

The Voice of America, a radio service operated by the U.S. government, is urging the Americans still in Kuwait not to try to cross the border, "due to the danger involved," but is advising them to get ready to leave on short notice.

"When the orderly evacuation of Americans wishing to leave Kuwait becomes possible, American citizens will be contacted by phone or by radio and information will be broadcast by the Voice of America and the BBC," VOA broadcasts said.

False news reports that the Kuwaiti-Saudi border had been opened to all foreigners prompted 40 to 50 carloads of Americans to head for the frontier, according to the State Department. They were turned back at the border, their disappointment aggravated by blistering heat.

An Iraqi broadcast Sunday said the authorities had been instructed to "facilitate the travel of the Arabs and foreign residents in Kuwait and other cities of southern Iraq."

"Southern Iraq" is the term that Iraqis have used to describe Kuwait after their annexation of it last week.

The clandestine departures reduce the number of civilian Americans in Kuwait to 2,500, according to State Department figures. Also stranded are 500 to 600 Americans in Iraq.

The Iraqi ambassador to the United States, Mohammed Mashat, said that the Americans would be freed in "due time."

"We have already let many people go," he said in a television interview. "It takes time."

U.S. diplomats have been in constant contact with Iraqi authorities about the issue, but the Iraqis have given no other indication that the Americans will be allowed to leave.

ASSAD: *Syrian President Is Walking a Fine Line*

(Continued from page 1)

new political center of the Middle East — and that Syria's claims against Israel will feature in any post-crisis settlement initiatives.

"Assad will want to be rewarded by the United States," Mr. Rabinovitch said. "Above all, if the whole question of settling the region's conflicts comes up, he will want Syria and the Golan Heights to be included."

Israeli officials say Mr. Assad might try to play Arab sides off one another. They point to negotiations in recent days between Syrian and Jordanian officials about the possibility of reopening an Iraqi oil pipeline that runs through Syria to the Lebanese port of Tripoli.

"He will probably not open the pipeline," said one senior Israeli official of Mr. Assad. "But the very fact that he was willing to negotiate about it, with the Jordanians playing as intermediary for Iraq, sends a signal. The message is that he is not comfortable in the role of ally to the United States. And the longer the crisis drags on, the more uncomfortable he will get."

That interpretation was disputed by other analysts, who pointed out that Syria's stand on the Gulf situation has been unambiguous. Damascus radio has been the region's most strident in attacks on Mr. Hussein, they said, going so far as to warn Saudia Arabia against compromising on Kuwaiti sovereignty in the early days of the crisis. Mr. Assad also protested against any delay in the Arab League call to act against Iraq. And on Tuesday, he played host to the Kuwaiti emir in Damascus.

In addition to dispatching at least 2,000 troops to the Gulf, Syria also has begun deploying forces near its border with Iraq, diplomatic sources said. Though not as large as that of Iraq, Syria's army is supplied with thousands of Soviet-made tanks and intermediate-range missiles.

Still, some Israeli analysts say they believe that by appearing to join a U.S. military drive against Iraq, Mr. Assad is risking the alienation of his base in Syria's Ba'ath Party. "There is a dangerous conflict between what Assad is doing and the ideology of his regime," said Pinhas Inbarri, the Arab affairs correspondent of the newspaper Hamishmar.

19,000 in Moscow Quit Party Rolls in Month

The Associated Press

MOSCOW — About 19,000 Muscovites quit the Communist Party in July after the 28th party congress earlier in the month, Moscow's party chief, Yuri Prokofiev, said Tuesday.

Mr. Prokofiev said half the people who resigned were workers and the rest were intellectuals or pensioners. The 19,000 were in addition to the 27,000 people who quit during the first six months of this year, he said.

ARABS: *King's Shuttle Diplomacy*

(Continued from page 1)

switch in our dealings with Iraq and Kuwait," he said.

"Jordan respects the UN mandate," he added, but sanctions "would bring our economy to a standstill."

At Aqaba, trucks laden with sugar, rice, wheat, corn, cooking oil, electrical goods and Japanese cars were still rolling up the highway toward Iraq, but agents said most of the goods had come from stocks unloaded before the UN decision.

Debt-burdened Jordan, which has no oil of its own, gets 95 percent of its crude from Iraq. Kuwait used to supply the rest.

A quarter of its exports go to Iraq, the mainstay of Jordan's trucking business. Thousands of Jordanians work in Kuwait and send home remittances.

The desert road from Aqaba, Jordan's only seaport, was an important supply line for Baghdad during the 1980-88 Gulf War with Iran. It handles 15 ships a day in normal times, almost half of them with goods for Iraq.

A witness counted 70 trucks rolling up the highway through 45 degree centigrade (115 Fahrenheit) heat, many of them bound for Iraq.

According to an official of an Aqaba shipping company, only 11 ships have docked in the last week.

Western diplomats in Amman and Lloyd's Shipping Intelligence in Britain also said ships taking Iraqi-bound goods to Jordan had been turning back because of UN sanctions.

"We are under pressure from all sides," the crown prince told Australian television on Monday. "Jordan will suffer enormously when it applies sanctions."

He said Jordan was performing a "humanitarian task" by allowing food and medicine into Iraq and refugees to enter from Iraq and occupied Kuwait.

(AP, Reuters, NYT)

Baghdad Decrees Death For Looting in Kuwait

Reuters

NICOSIA — Iraq decreed the death penalty on Tuesday for theft in Kuwait in what observers said was an apparent attempt to curb looting by Iraqi troops occupying the wealthy Gulf state.

The decree, read on Iraqi television, said that a special tribunal would investigate cases and that there would be no appeal against its decisions.

TERROR: *Iraqi Attacks Feared*

(Continued from page 1)

and weapon technology and to harass dissidents.

The purported head of Iraqi intelligence was arrested and deported earlier this year for leading an operation to smuggle 40 krytrons, used to trigger nuclear explosions. The operation was exposed at Heathrow Airport by British customs agents.

Some specialists on the Middle East and European security officials see a potential growth in the pool of recruits for terrorist activities through Mr. Hussein's belligerent defense of the causes of downtrodden Arabs.

Mr. Hussein has apparently acquired control over several Palestinian radical groups associated with recent terrorist activities. The commando teams run by Abu Abbas and Abu Nidal are now believed to be based in Baghdad.

Although Abu Nidal's forces are said to be badly split after a purge earlier this year, Abu Abbas declared last week, "We will strike at American and imperialist interests as soon as any foreign soldier sets foot on Arab territory."

The Islamic Jihad's Amman faction, which took responsibility for the attack on an Israeli passenger bus in Ismailia, Egypt, earlier this year, has declared loyalty to Mr. Hussein.

This lesser-known group, headed by a former Gazan named Rajah Tammi, was previously thought to be allied with Hezbollah, the Iranian-backed Lebanese Shiite movement.

"It means that Saddam Hussein has succeeded where Assad failed," said Pinhas Inbarri, an Israeli writer on Arab affairs, in a reference to President Hafez Assad of Syria. "He now has all the major Palestinian terrorist groups and the PLO political groups under his wing."

Israeli officials are particularly concerned about future terrorist attacks coming from Jordan.

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FACE-OFF IN THE GULF: As the naval pressure grows and Syrian troops arrive, Saddam Hussein may be looking over his shoulder for militants at home

Ken Cooke/The Associated Press

A soldier looking out upon military vehicles and equipment being readied in Wilmington, North Carolina, for shipment to Saudi Arabia.

Syrians Land in Saudi Arabia

Compiled by Our Staff From Dispatches

NICOSIA — Syrian troops arrived Tuesday in Saudi Arabia, and a second Iraqi ship was kept out of a Gulf port as President Saddam Hussein's adversaries stepped up economic and military pressure.

Diplomats in Riyadh said the first Syrian units landed early Tuesday to join U.S., British, Egyptian and other forces protecting the Arabian Peninsula and its oil reserves.

The diplomats had no details of numbers of troops or areas where they would be deployed.

President Hafez Assad of Syria is an old enemy of Mr. Hussein and supported Iran in its eight-year war with Iraq. Officials in Damascus have been reluctant to discuss participation in the multinational force and would not confirm the Riyadh reports.

Authorities in the United Arab Emirates, meanwhile, stopped an Iraqi freighter from entering the port of Dubai on Tuesday, shipping officials said.

Radio monitors in the Gulf overheard the freighter calling every 10 minutes for permission to enter the harbor and load cargo for Iraq.

Diplomats in the Emirates said the country's ports had stopped accepting Iraqi tankers or freighters, but the government has made no announcement.

Shipping officials said another Iraqi freighter had been waiting off Dubai for two days.

On Monday, an Iraqi oil tanker was kept from docking at a Saudi terminal on the Red Sea, Saudi diplomats said.

Shipping officials said British and U.S. warships in the Gulf challenged merchant ships Tuesday.

"Both British and American ships are asking vessels what they are carrying and their destination," said a source who monitors radio traffic in the Gulf.

A British frigate challenged a Cypriot-flagged oil tanker after the tanker left Jebel Ali near Dubai. The frigate asked about its cargo and destination.

Shipping officials said the tanker was suspected of loading Iraqi products from a storage tank at Jebel Ali. The ship was allowed to proceed after it was determined to be carrying only ballast.

The British Navy described the incident as a routine practice rather than an interception.

Shipping executives said they had been told by U.S. Navy officials that an Iraqi vessel was spotted dropping mines in the Gulf about 130 kilometers (80 miles) northeast of the Qatar Peninsula.

In London, Lloyd's Shipping Intelligence confirmed that the Middle East Navigation Aids Service issued a navigation warning Monday, "after the U.S. Navy observed an Iraqi freighter engaging in a suspicious act."

But a shipping official said later that the notice "has since been rescinded and as of now there is no specific concern about mines in the gulf."

An Iraqi newspaper on Tuesday called the United States pirates for imposing a blockade and threatened the use of force by Iraq to break it.

The Kuwaiti resistance radio, operating from an undisclosed site south of Kuwait City, fell silent on Tuesday after Baghdad radio started transmissions on its frequency.

(AP, Reuters, AFP)

UN: *Role in Blockade*

(Continued from page 1)

Two options will be discussed, a senior U.S. official said.

The first idea, advanced initially by the Soviet Union, is to set up a joint chiefs of staff under the Security Council to coordinate defense of the U.S., British, French and other warships in the Gulf should they come under Iraqi fire, the official said.

The second option under consideration is to give the warships the protection of the UN flag.

The military staff committee was conceived of as a general staff responsible to the Security Council for strategic planning and technical advice on military matters.

It is supposed to advise the council on its military requirements to preserve international peace and security, the employment and command of forces placed at its disposal and the regulation of armaments.

UN diplomats said they did not expect the Security Council to discuss the issue until after the council's committee on compliance meets Friday and reports on how the 159 UN members are observing the embargo.

The council could decide after its compliance committee meets that further steps are needed to enforce the embargo. In that case the council could call on member states to enforce a blockade against Iraq.

The UN secretary-general, Javier Pérez de Cuéllar, has said only that the Security Council can declare a blockade, but he did not dispute the U.S. right to act under the charter's provisions for self-defense.

(Reuters, AP)

Behind Hussein's Back: Hard-Liners at Home

By Malcolm W. Browne
New York Times Service

NEW YORK — As President Saddam Hussein of Iraq confronts the United States and its allies on the Saudi border, he must also watch his back against potential military enemies at home, intelligence analysts say.

Any move Mr. Hussein might make toward reaching a peaceful settlement of the crisis could precipitate a military coup, Israeli intelligence officials say.

Mr. Hussein would be especially vulnerable to military revolt if trouble should develop in Baghdad in the near future, they say, because relatively few of the president's most reliable troops are left in the capital.

"A tightly knit corps of relatively young officers commands Iraq's forces," an Israeli intelligence analyst said. "These are the division and corps commanders who won rapid promotion during the eight-year war with Iran. Their fighting spirit is very high, and we believe that if Mr. Saddam Hussein should show signs of backing down at this point, his own officers might kill him and pick up the torch."

On Saturday, President George Bush suggested to reporters that he would be pleased if Mr. Hussein could be overthrown. But implicit in this idea is the assumption that the ousted Iraqi leader would be replaced by a more tractable regime.

Israeli analysts believe, however, that if anything, Mr. Hussein's successor would probably take an even tougher stand against the United States and its allies.

Of the Iraqi army's 55 divisions, Western experts say they believe that no more than 12 — and possibly as few as seven — are "elite" units equivalent in training, morale and equipment to the best troops they might encounter.

Most of these troops have been stationed along the Kuwaiti border with Saudi Arabia, confronting the forces of the United States and its allies. Much of the rest is strung out along Iraq's long borders with Iran and Turkey, and this leaves Baghdad and Mr. Hussein relatively undefended.

NEWS ANALYSIS

For the time being, a military stalemate is in effect. Some analysts suggest that the power of the Iraqi Army has been greatly overrated. But Western experts say they think it would be a serious mistake to make any assumptions about Iraqi strategy and tactics based merely on Iraq's past performance.

"For example," a Western analyst said, "Iraq never conducted any substantial night operations against Iran during the eight-year war that ended in 1988. And yet Iraq's attack on Kuwait was conducted at night.

"Moreover, it was a very complex operation involving seaborne troops with landing craft, coordinated with a land operation using tanks and mechanized infantry. The lesson is that Iraq can always shift gears on us without warning."

As U.S. air power in the Gulf mounts, it poses an increasing deterrent to Iraq's huge armored forces, which include 5,500 heavy tanks, 100 light tanks, and about 7,000 armored personnel carriers. Many of the U.S. Air Force and Navy attack aircraft moving into the area are equipped with armor-piercing missiles, some of which can be guided to their targets by laser beams.

But experts say that although Iraq's Air Force is too small to overcome American air superiority, Iraqi armor is by no means defenseless. The Iraqi Army is equipped with 4,000 air-defense guns of calibers ranging up to 130mm. Baghdad's anti-aircraft missiles include about 300 long-range Soviet-made SA-2 and SA-3 missiles of Vietnam-War vintage, and many smaller but newer missiles.

Iraqi infantrymen are also equipped with the shoulder-fired SA-7 antiaircraft missiles, code-named Strella by NATO. Among the American weapons Iraq captured in Kuwait which have presumably been distributed to Iraqi forces are American-made shoulder-fired Stinger antiaircraft missiles and six batteries of Hawk missiles.

Shoulder-fired anti-aircraft missiles used by guerrilla forces in Afghanistan took a heavy toll of Soviet combat aircraft during the war in Afghanistan.

"Make no mistake," an intelligence analyst said, "if the U.S. Air Force is used against Iraqi armor, there will be U.S. casualties. It will not be an easy fight."

But despite the dangerous confrontation, analysts predicted a drawn-out war of nerves, in which an outbreak of fighting seemed unlikely.

"With this much military muscle in place," an American expert said, "mistakes are always possible, and a mistake could plunge us all into a very ugly war. It may be that we'll sit on the brink for a very long time until someone blinks."

Japan Will Offer Help To Some Gulf Nations

Reuters

TOKYO — Prime Minister Toshiki Kaifu told the United States on Tuesday that Japan would offer economic assistance to Gulf nations affected by an embargo on trade in the region, government officials said.

President George Bush called Mr. Kaifu on Tuesday to urge Japan to make "substantial contributions" to countries affected by the crisis, a government official said.

The official quoted Mr. Bush as saying: "I hope Japan will cooperate as much as possible by offering economic assistance to countries in the region."

The government spokesman, Misoji Sakamoto, said earlier that Mr. Kaifu had told Mr. Bush that "the government has just entered consultations regarding what type of assistance Japan will offer."

In a cabinet meeting, Mr. Kaifu said he would visit the Middle East after the government had finalized an aid package. On Monday, Mr. Kaifu postponed his Aug. 15-27 tour of the Middle East and decided to send Foreign Minister Taro Nakayama instead.

"Japan must carefully consider what concrete measures it can adopt to contribute to peace and stability in the Gulf, and after this is decided then I will visit the Middle East," Mr. Sakamoto quoted Mr. Kaifu as saying.

Japan, which imports 70 percent of its oil from the Middle East, depends on the region more than other industrialized nations do.

Papandreou Sees No Role in Gulf

Agence France-Presse

ATHENS — Andreas Papandreou, the former prime minister, has charged that the conservative government's offer of cooperation with the United States and the European Community in the Gulf crisis had turned Greece into "a satellite nation once more."

Mr. Papandreou, a Socialist, asked to know "in the name of what national interests" was Greece poised to lend its support to the trade embargo against Iraq.

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Mideast Opportunities

Words: After all the aggression, alarm, councils of state, hostages and troop movements, the controversy of the instant in the Iraq-Kuwait crisis is merely semantic. Should President George Bush's orders to U.S. forces to halt shipments of Iraqi oil be termed a blockade, a quarantine, an interdiction or a barricade?

It makes little difference in practical terms; the reverberating question about the siege of Iraq concerns effectiveness, not nomenclature. But as the siege proceeds, Americans can reflect on how three worlds of the Middle East have already been transformed by Iraq's invasion of Kuwait: oil, Arab unity and the Palestinians.

The Organization of Petroleum Exporting Countries, the oil cartel, is in disarray. It has long worked to maintain a delicate balance between getting oil producers the top dollar and driving oil consumers to alternate fuels. It is no wonder that OPEC countries will now meet, presumably to re-establish the Saudi Arabian goal of "a stable and predictable market for oil." In the wake of the invasion, and of the world's angry embargo of Iraqi oil, the word "OPEC" is losing some of its power to intimidate.

Arab unity, or its illusion, may also have gone the way of yesterday's oratory. Unable to exploit Cold War rivalry, Saddam Hussein has compelled his neighbors to look first to their own interests and join against him in military action. Even non-Arab Iran joins with Arab states in supporting sanctions against Iraq. In Egypt, a once isolated Hosni Mubarak mobilizes an Arab army to shield imperiled Saudi Arabia. Syria's radical nationalist leader, Hafez Assad, joins that army, in tacit partnership with U.S.-aided Egyptians and Saudis.

Third, even short of a defeat for Iraq, the Arab-Israeli conflict may now have to be seen in a different context. In Jordan, King Hussein spins like a top, tipping toward Iraq one day, away the next. And Yasser Arafat, the PLO chairman, in siding with Iraq divides his Palestinians, affronts his Saudi paymasters and demolishes his recent, carefully cultivated image of moderation.

In offering to free Kuwait if Israel withdraws from its occupied territories and Syria pulls out of Lebanon, Saddam Hussein, the self-proclaimed "liberator" of Kuwait, confirms his own cynicism.

For Washington, Syria's anxieties offer an opportunity. If Mr. Assad wants better ties, a changed stance on Israel is part of the price. A cold truce has long prevailed between Syria and Israel; in a transformed Middle East, a wider accommodation might be possible. It is true that Iraq's aggressions have given momentary comfort to Israeli hard-liners opposed to any concessions. But with Egypt's prestige enhanced, Mr. Mubarak may be better able to breathe life into U.S.-supported talks between Israel and West Bank Palestinians.

The transformation of the Middle East has not transcended old, stubborn concerns, but it has already redefined them. The contradictions are great; so are the opportunities.

— THE NEW YORK TIMES.

Baghdad's Risks Mount

President Saddam Hussein has put forth a preposterous but revealing proposal. The preposterous part is to condition unspecified new "arrangements" for Kuwait on Israel's "immediate and unconditional" withdrawal from occupied Arab territories, Syria's withdrawal from Lebanon and "withdrawal between Iraq and Iran." It is not only that these are three very different projects so vexing as to ensure the indefinite distraction of those opposing Iraq's aggression. The hint that Kuwaiti sovereignty may be negotiable cuts across Iraq's claim that in invading it was righting a historic wrong. Anyway, Saddam Hussein's deceptions have laden him with a huge burden of establishing any diplomatic credibility at all. President George Bush had no choice but to dismiss his proposal.

The proposal is, nonetheless, revealing. Saddam Hussein, who hoped for acceptance of his conquest by a stunned world order, instead sees growing resistance to it by Arabs, Americans, Soviets, Europeans, Japanese — almost everybody. Not that the swaggering dictator will easily buckle. But it is because a broad coalition is rallying against his military initiative that he launches a diplomatic one. At its core lies a transparent effort to evoke Arab passion against Israel to fray that coalition. He may also feel that the appeal of a general Middle East settlement extends well beyond the Arab world. In this way has Iraq tried to involve Israel directly in a crisis in which the Israelis themselves have so far been notably quiet.

Israelis had hoped to let Iraq hang itself in general opinion, divide the Arab world and relieve pressure on them to conciliate Palestinian nationalism. By hanging back, Israel could avoid giving substance to Iraq's wild allegation that the coalition taking shape against it had not only an "imperialist" aspect but also a "Zionist" one. Drawn into the crisis by Saddam Hussein's expedient diplomacy, however, Israel would become a player on its own.

Current American policy seeks no Israeli partner — certainly not an explicit one. But there is a sense in which the Israelis, even from a discreet stance on the sidelines, are an implicit enforcer. For the Israelis have the capacity, and it is not hard to imagine them preempting any imminent Iraqi desperation attack. If Saddam Hussein has not entirely surrendered the interests of Iraq to personal obsession, he has got to be thinking about the deepening risks to which he is exposing his country.

— THE WASHINGTON POST.

For a Joint Energy Plan

With the jump in gasoline prices, the cry has once again gone up in America for a national energy plan. But what kind of a plan? The country has had a succession of them since 1973, when oil prices began swinging up and down.

The first energy plan was President Richard Nixon's declaration that the country would make itself independent of any need for imports. That was a very American response — but it was pure isolationism, decades out of date. Even if the United States were able to do without imports — and it is not, at any manageable cost — it could no more allow its allies to be whipsawed by excessive oil prices than it could allow them to be threatened by the Soviet army.

President Jimmy Carter's plan was much more sophisticated, calling for conservation and a rapid push toward alternative sources of energy. Both were, and are, sensible ideas, but they had not progressed far enough to provide much protection when the second oil crisis arrived in 1979. As for President Ronald Reagan, he abandoned the whole concept of energy planning and cheerily said he would leave it to the markets. He had the good luck to be in office during a time of falling oil prices.

President George Bush's energy plan is, so far, the American military force rapidly expanding in the Saudi desert. There are already beginning to be murmurs of protest at the cost of this operation. But before you join that chorus, you might want to consider for a moment the alternative — the cost of oil at the heights to which the Iraqis, if they controlled the Gulf, might be tempted to push it.

The market for oil is worldwide, set by world supply and world demand. No country by itself, not even one as large as the United States, can have much impact if it works alone. Effective energy policy has to be international. Conservation is essential to take the strain off limited supplies and discourage any further escalation of prices. But a barrel of oil saved anywhere in the world has the same effect on the supply-demand balance as a barrel saved in America.

Eastern Europe, to take an important example, is by a wide margin the world's most grossly inefficient user of oil. Helping the East European countries to modernize would be one of the fastest and most productive ways for the West to cut global oil consumption and stabilize energy costs for everybody. Past energy policies failed because they addressed only American needs. The next one, beginning with the troops in Saudi Arabia, is necessarily going to have to operate on a larger scale.

— THE WASHINGTON POST.

Other Comment

Clamp Down on Baghdad

Australia's dispatch of two frigates and a supply ship to the Gulf to join a multinational naval embargo against Iraq is fully justified by moral principles, international obligations and national self-interest. President Saddam Hussein's military seizure of tiny but oil-rich Kuwait cannot be dismissed as a violent but understandable settlement of a long-standing territorial and financial dispute that concerns no one else. Nor can it be accepted as a genuine expression of popular pan-Arab nationalism and Islamic fervor intended to get rid of foreign economic domination and corrupt oil emirs. It was a vicious act of armed robbery by a megalomanic villain who threatens not only the security of his immediate neighborhood but also the well-being of the entire international community.

Without the immediate commitment of a credible military deterrent force by the United States in concert with other nations, the capacity of Saudi Arabia and other states in the region to comply with the UN resolution and defend themselves against retaliation or further aggression would have crumbled in the face of Saddam Hussein's overwhelming military superiority. The surrender of Saudi Arabia and other oil-producing Gulf states to Iraqi intimidation, if not occupation, would have had horrendous economic consequences for the rest of the world. Now the time has come for the UN Security Council to catch up with the reality of this perilous situation and endorse the use of force to impose a tight steel ring of economic sanctions around Iraq and to react instantly to any further Iraqi aggression or retaliation.

— The Age (Melbourne).

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OPINION

Saddam Hussein Can Compromise When He Has To

By Efraim Karsh

NEW YORK — The defusing of the crisis in the Gulf hinges to a great extent on a realistic and dispassionate analysis both of the personality of Saddam Hussein and of Baghdad's political objectives and military capabilities. Unfortunately, the prevalent assessment of these two factors is fraught with grave misperceptions and myths.

Saddam Hussein is an unpredictable leader who has no qualms about playing for high stakes?

Saddam Hussein is a ruthless leader who rules with an iron fist and often resorts to intimidation tactics against his neighbors. Yet he is anything but an adventurist who would lightly embark on a high-risk policy.

The invasion of Iran a decade ago, an extremely risky move, was a last resort aimed at deflecting ominous Iranian pressure on the Ba'ath regime. If Saddam Hussein entertained any aspirations beyond the containment of Iran — as he may have — these were not his reasons for launching the war.

The seizure of Kuwait, on the other hand, was apparently perceived by the Iraqi leader as a low-risk venture. He probably believed that a lightning operation against the tiny kingdom would meet with virtual inaction at both the regional and the global levels. This working assumption was accurate with regard to the Arab world, but it grossly underestimated the intensity of world anxiety about the stability of the Gulf.

The invasion of Kuwait, thus, should be construed not as an indication of Saddam Hussein's propensity for high risks but as a reflection of his poor judgment, if such proof were needed after the catastrophic miscalculation in Iran.

Saddam Hussein is a dogged leader who will not capitulate to external pressure?

His behavior during the past two decades belies this assumption. He was the architect of a 1975 agreement with Iran that involved far-reaching Iraqi concessions and was concluded under heavy military pressure. He indicated his readiness to end the Iran-Iraq war a week after its outbreak, and remained anxious to terminate hostilities thereafter. It was Tehran's insistence on coupling the end of the war with the removal of Saddam Hussein that prolonged the conflict.

Hence Iraq's relentless defiance of international pressure is far from a foregone conclusion. Should economic sanctions be sustained, jeopardizing his domestic position, Saddam Hussein can be expected to seek a compromise. The first sign of that has come in his offer to retreat if Israel withdrew from the occupied territories and Syria left Lebanon.

Saddam Hussein will not hesitate to use chemical weapons?

Capitalizing on their notorious resort to chemical warfare during the war with Iran, the Iraqis took care to signal their readiness to employ chemical weapons again by openly loading and unloading chemical bombs. Yet a closer examination of Iraq's chemical warfare during the war would reveal an extremely cautious and circumscribed policy.

Iraq used gas against Iranian troops only after continuous and persistent warnings, and only at critical moments, when there was no other way to check Iranian offensives. The only time Iraq showed less restraint was in the gassing of its own civilian Kurdish population, where the danger of retaliation was almost nil.

This suggests that, although he has neither moral inhibitions nor respect for international norms, Saddam Hussein can behave in very circumspect fashion once faced with possible retaliation. Given the U.S. (and Israeli, for that matter) means of responding in kind to any chemical attack, he is likely to have serious misgivings about the chemical option.

The Iraqi army is the strongest and most competent Arab army in the Middle East?

It is true that Iraq boasts a million men under arms. Yet this tremendous size is misleading, in that about half the force is deployed in static positions along the Iranian border and cannot be used for war operations elsewhere. Moreover, 40 of Iraq's 50 divisions are infantry units, with only eight armored divisions.

This order of battle may be sufficient for overwhelming the Saudi army but could be contained by a relatively limited U.S. force of two or three armored divisions. Moreover, together with the poor offensive capability of the Iraqi ground forces during the Gulf War, the order of battle implies that Iraq is far from towering over its neighbors militarily. The effective strength of the Iraqi army is not superior to that of Syria, while Turkey, Iran and perhaps even Jordan — yes, even Jordan — could readily withstand an Iraqi attack.

After the war with Iran, the Iraqi people are accustomed to deprivation and dislocation?

This crucial assumption is fundamentally flawed. Unlike Iran, Iraq's ability to prosecute the war for eight bloody years did not reflect an impressive staying power. Rather, it stemmed from the regime's success in isolating the nation from the war's effects. Due to Iran's inability to extend the war to the Iraqi rear, and due also to generous financial help from Kuwait and Saudi Arabia, Saddam Hussein managed to keep the war confined to the battlefield and to preserve, by and large, an atmosphere of "business as usual" for the Iraqi population.

Coupled with the harsh repressive means used by the Ba'ath regime, this atmosphere prevented a breakdown in Iraqi morale. The isolated Iranian success in breaching this protective shield demoralized the Iraqi public but failed to determine the outcome of the war.

Hence, the staying power of the Iraqi people has never been put to a real test. The ability of the regime to sustain a prolonged confrontation, given its immense unpopularity with the Iraqis, is even more doubtful.

None of this means that Saddam Hussein should be taken lightly. Nor does it mean that he will shy away from escalation, particularly in view of his gross strategic miscalculation a decade ago. Yet it indicates that Iraq is saddled with major weaknesses and that, moreover, the Iraqi leader is fully aware of them.

Accordingly, the present U.S. policy combining military deterrence against an attack on Saudi Arabia with economic pressures could eventually culminate in Baghdad's unconditional withdrawal from Kuwait. Any solution short of this cannot but entail grave consequences.

Mr. Karsh, a lecturer in the Department of War Studies of King's College, London, has written widely on the Iran-Iraq war. He contributed this comment to The New York Times.

Gunboat Diplomacy Isn't Solving the Problems

GUNBOAT diplomacy enabled America to impose its will abroad in the first half of this century. Unfortunately for U.S. foreign policy stakes in many developing countries, it continues to be the knee-jerk reaction.

President George Bush, in rationalizing his decision to deploy troops in Saudi Arabi, asserted that "a line has been drawn in the sand." Evidently he is unaware that he is dealing with quicksand: engaging U.S. forces for an unlimited time in a militarily and culturally inhospitable climate, to support a medieval system, and thus risking the monarchy's overthrow by Islamic fundamentalists and the possible accession of a strongly anti-American government.

He has said he would welcome Saddam Hussein's removal. There is no evidence that Washington appreciates the peril in trying to remove a leader who is widely admired as the Bismarck of Arab-Muslim nationalism. U.S. involvement will intensify the fierce anti-Americanism of the region's fundamentalists. Is the Bush administration prepared to press its campaign against Saddam Hussein at the risk of undermining America's other ally-monarchies in Jordan and the oil-rich United Arab Emirates?

Only days before the intervention in the Middle East, Mr. Bush dispatched marines to Liberia. Panama, proclaimed last year as the scene of triumphant U.S. intervention, remains in a state of severe instability.

The political cultures of the Third World must become the content of new thinking that will shift U.S. policy from interventionism to negotiations and economic influence.

— Henry F. Jackson, a visiting professor at the University of California, Los Angeles, and author of "From the Congo to Soweto: U.S. Foreign Policy Toward Africa Since 1960," commenting in the Los Angeles Times.

Energy Policy: Can Bush Do Better Than Reagan?

By Lloyd Bentsen

The writer, a Democrat, chairs the Senate Finance Committee.

WASHINGTON — When it comes to the current crisis in the Middle East, President George Bush deserves the support of all Americans — not just because we only get our presidents one at a time, but also because he has done a good job so far. It remains to be seen, though, whether he has the will to establish the kind of effective energy policy needed to enhance U.S. security over the long term.

His predecessor certainly didn't get that job done.

For America, the 1980s under Ronald Reagan were a decade of indulgence. After all, from the end of the 1982 recession until today we have enjoyed a period of uninterrupted growth. But that growth, fueled by $200-billion-a-year federal deficits, masked a host of problems.

The Reagan doctrine that no policy was the best policy held sway on such matters as the S&L calamity. There were cutbacks, year after year, in government oversight. There were too few inspectors, too few examiners and too many pressures.

Because of an ideological aversion, the Reagan administration never established a trade policy, being content to look on as the United States went from being the world's largest creditor nation to being its biggest debtor in a short, three-year period.

When it came to energy, low prices were policy enough, and never mind that they were the result of an OPEC decision in late 1985 to boost production. Never mind that those prices could be forced up by the twist of a valve or the ambitions of an Iraqi dictator. The administration said the U.S. government should not "interfere" in the market by setting policies to boost conservation and production, even at the margins.

The result? The United States today produces 1.6 million fewer barrels a day of oil than in 1985 and consumes 1.2 million barrels more. You don't have to be a mathematician to figure it out. A hands-off approach to energy policy plus continued Gulf instability equals an increased risk of rationing or other draconian policy steps.

Three years ago when I proposed "peril point" legislation that said the president must take action when oil imports are projected to exceed 50 percent of the oil Americans consume, the administration fought me tooth and nail.

I said that 50 percent dependency was a peril point beyond which national security and economic well-being are threatened, and that when dependence approaches that point the president should develop a program to encourage domestic production and conservation.

My legislation left it up to the president to decide the specifics of this energy policy, but the Reagan administration twisted arms, changed votes at the last minute and managed to defeat us in the Senate, 55-41. They never offered an alternative.

In fact, we should not wait for 50 percent dependency to establish an effective U.S. energy policy, but they were not interested in establishing a policy that would take effect either above or below that arbitrary point of peril. (Ironically, a proposal virtually identical to my 1987 Peril Point bill passed the Senate earlier this month without opposition.)

The one notable element of an energy policy that lasted through the Reagan years is the Strategic Petroleum Reserve. It holds 600 million barrels of oil, enough to smooth out the rough spots from all but the most severe oil import cutoffs. But the SPR would hold much less oil today had it been left up to the administration. Congress was repeatedly called on to fight off their efforts to substantially reduce the fill rate.

During the decade of indulgence, the administration also led the retreat from tough automobile fuel efficiency standards — the Corporate Average Fuel Economy (CAFE) requirements. Thermostats were turned up in winter and down in summer all over Washington and all over America.

They didn't worry that the United States accounted for more than a fourth of world oil consumption. To them, energy conservation was a memory, not an objective.

That must change. We have demonstrated conclusively that America can make substantial reductions in energy consumption, and a return to the ethic of conservation must be a major component of an energy policy for the '90s. We should set realistic goals for decreased energy consumption and achieve them.

We must also identify effective and appropriate incentives for production of America's own substantial energy assets. Prices at or above $25 a barrel provide a powerful spur for renewed domestic exploration and production activities. Texans are well aware that if prices stay there for two years, we will see 120,000 jobs created in our state.

But Texans these days are more interested in stability than in the kinds of price spikes we saw in the '70s, stability that can be provided by an energy policy that discourages consumption and encourages production. The people of Texas suffered a major recession in the mid-'80s, and we know that those spikes can point down as well as up. Before that recession, energy accounted for 25 percent of our state's economy; today it is down to 9 percent.

A wild jump in oil prices today would send our state into recession along with the rest of the country. We Texans have learned that the kinds of wild gyrations that sent oil prices plummeting from more than $35 a barrel in 1985 to less than $10 in 1986 don't do any of us, producers or consumers, any good over the long haul.

Too bad the major oil companies have not learned this lesson.

The companies were too quick to pounce on the current crisis in the Gulf to extract quick, short-term profits from a situation fraught with danger for America. It is called price gouging, and it is unacceptable. Sound energy policy and greater energy security will require a measure of sacrifice and cooperation from all Americans, and the oil companies will be called upon to do their part.

For most of this century, people with credentials have been predicting the demise of America's energy reserves, and time after time they have been proven wrong. It would be naive to think that America can ever become self-sufficient in energy, but it is equally important to understand that it has major untapped energy resources that can cushion a dangerous reliance on oil from the Gulf.

The United States has substantial natural gas reserves, but that gas is deep in the ground and will be expensive to recover. Current prices would bring that production on stream, but you need stability or you are not going to get those projects done.

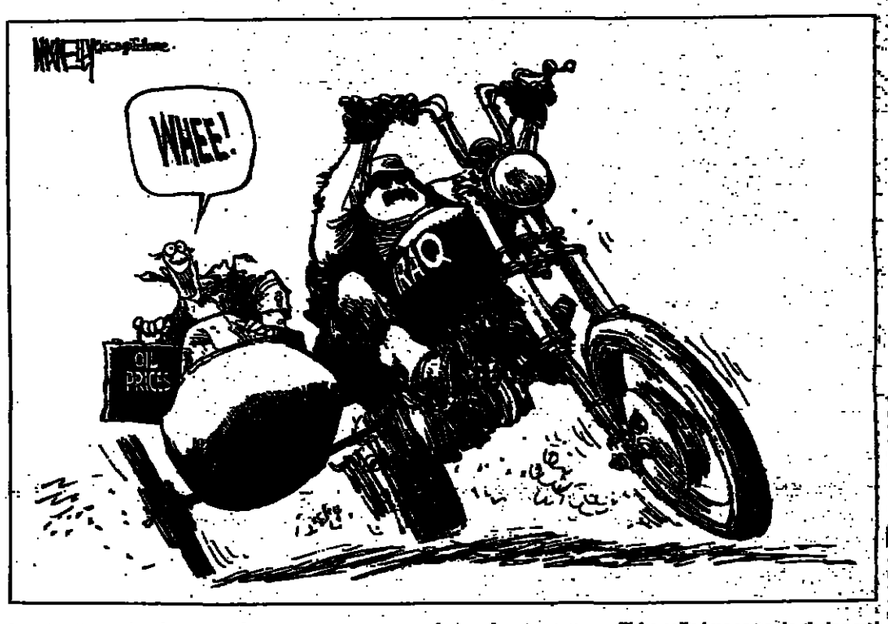
We should not establish an energy policy that relies solely on conservation. Although that aspect is vitally important, we also need incentives to produce. The economic and national security advantages could not be more obvious or more important.

For example, the United States will not eliminate its trade deficit until it develops an energy policy that encourages both more production and less use. The country's total bill for imported energy last year was $49 billion, accounting for 45 percent of the trade deficit.

President Reagan enjoyed enormous political success during his two terms, confounding and frustrating those of us in the loyal opposition on more than one occasion. His legacy, though, is something else. He left us with massive budget deficits, a pervasive S&L scandal and a dangerous dependency on oil imports that adds to the crisis atmosphere surrounding the Iraqi invasion of Kuwait.

When it comes to energy policy, President Bush today has an opportunity to learn from the mistakes of the man who preceded him in office.

The Washington Post.



Havel's Message Deserves Hearing

By Robert B. Goldmann

NEW YORK — If Kurt Waldheim had decent instincts he would have been embarrassed by the visit of Vaclav Havel and Richard von Weizsäcker to Salzburg late last month. But the Austrian beamed from ear to ear, seemingly quite unaffected by what the featured speaker, Mr. Havel, had to say.

The remarkable, but for Mr. Havel characteristic, thing is that he accepted the invitation to make the opening address at the Salzburg Festival when he was still a banned author, yet followed through with his original speech after he had become president of Czechoslovakia.

Havel has infused deeper meaning into the policy of ostracism, whether it has become routine or not.

The presence of President von Weizsäcker was equally characteristic of the man. He could not have been unaware of what his friend Mr. Havel, who had asked the West German to join him in Salzburg, was going to say. In fact, the topic of Mr. Havel's address, coming to terms with one's past, has been a familiar one in speeches by Mr. von Weizsäcker that establish a model of moral leadership.

The two presidents went to Salzburg because Mr. Havel, by his speech, and his German colleague, by his presence, had something important to say. To wit:

"The assumption that one can slither through history with impunity and rewrite one's own history is part of the traditional Central European repository of mad ideas. When someone tries to do this, he does harm to himself and his fellow citizens. For freedom is not complete where truth does not have free reign.

"In one way or another, many have become guilty in this matter. But it is unforgivable, and we cannot be at peace with ourselves, as long as we do not admit our guilt, which is the least we can do. Confession makes us free."

The Czechoslovak president spoke of a particular receptivity in Central Europe to perceived threats, and a more than normally strong feeling "for the phenomenon of angst." Mr. Havel said he thought that the various shapes fanaticism and nationalism had assumed in that part of the Old World were rooted in this "angst in the face of history."

What the playwright from Prague meant could not have been clearer.

It was also clear, because Mr. Havel had said so, that he came to pay tribute to that unique cultural event, the Salzburg Festival, to which people from all parts of the world flock as one of the high points of the year in theater and music.

He also wanted to show courtesy to the people of Austria, with whom Czechoslovakia has close cultural ties that have weathered ethnic and political resentment in the past.

The two visiting heads of state did not "call on Waldheim," as some headlines phrased it. All three, along with the audience and the guests at the luncheon that followed Mr. Havel's address, came separately and met there. Had Mr. Waldheim been unable to attend, Messrs. Havel and Weizsäcker would still have appeared and proceeded with the planned program. Mr. Waldheim had chosen to come. He was by no means essential to the proceedings.

It is not surprising that the Austrian president showed neither embarrassment nor unease. It would have been uncharacteristic of him to do so. A man who can hide his past, leave a huge gap in his biography and brazenly deny, in the face of overwhelming evidence, that he has done so is hard to embarrass.

The question of why the people of Austria seem insufficiently uneasy about Mr. Waldheim as their head of state remains unanswered, and the world has not stopped wondering about it.

One of Mr. Havel's comments has evoked a good deal of angry response, chiefly from Jews who remain deeply offended by Kurt Waldheim's high office. Mr. Havel said that the shunning of Mr. Waldheim by most of the world's heads of state had become routine and had lost its meaning. This served to confirm the fears of Jews and others who feel that Mr. Waldheim should remain ostracized, that the visit of the two distinguished presidents to Salzburg might be considered license for others to go and would result in a procession of foreign leaders to Vienna.

But anyone who reads the Havel-Weizsäcker visit in these terms has not understood its significance. Mr. Havel has infused deeper meaning into the policy of ostracism, whether it has become routine or not. His address has reminded us in the most eloquent terms why Kurt Waldheim has been and should remain off limits for those people who respect themselves and their fellow citizens.

The writer is European representative of the Anti-Defamation League of B'nai B'rith. He contributed this comment to the International Herald Tribune.

100, 75 AND 50 YEARS AGO

1890: Salvadoran Terms

NEW YORK — According to private despatches received in New York, Guatemala has received from San Salvador the terms of the proposed treaty of peace. The details are believed to be: 1. The San Salvador Provisional Government to be recognised by Guatemala. 2. The armed forces of San Salvador to be withdrawn from Guatemala so soon as the recognition of Ezeta's Government by Guatemala takes place. 3. The results of the war together with the action of the Guatemalan Government against Salvador and the final disposal of the same to be left to the arbitration of two or more Powers friendly to and acceptable to both countries. Despatches further say that a prominent official of Guatemala says he does not believe Guatemala will accept Mexico as one of the arbitrators. He thinks Costa Rica and Nicaragua will be chosen, with the United States as the third or deciding arbitrator.

1915: German Doubts

AMSTERDAM — Neutrals returning from Berlin say that the Parliamentary situation in Germany is far from being good. The Chancellor, Herr von Bethmann-Hollweg, is awaiting anxiously the meeting of the Reichstag for it is probable that the members cannot but reflect upon the sitting of August 4 last year, when they all imagined that before October the German troops would have conquered Europe.

1940: Britain in Danger

WASHINGTON — Col. Frank Knox, Secretary of the Navy, told the Military Affairs Committee today [Aug. 14] that there was a possibility that Great Britain might be defeated within sixty days and that, with Britain eliminated, the United States would be left "without a friend in the world."

— From the New York edition of the New York Herald Tribune.

OPINION

A Lesson for U.S. Lawmen From the Barry Trial Jury

By William Safire

WASHINGTON — An American jury sent a stern message to the attorney general the other day: The government of the United States should never stoop to acting like a pimp.

By threatening to prosecute a former girlfriend of Mayor Marion Barry, the Justice Department coerced her into serving as a sexual lure. The government then transported her across the country at taxpayer expense and had her telephone the target to initiate a meeting at her hotel; when he suggested the lobby, the voluptuous agent of the attorney general lured the target up to her room, which was rigged with hidden cameras.

After denying him the sex he expected (the government was not even an honest pimp), the entrapper coaxed him into using crack cocaine. Other agents then burst in and arrested the mayor of Washington for committing the crime to which the attorney general himself was accessory.

In a departure from American values, the Supreme Court has held that arranging such an entrapment with a suspect who can be shown to be "predisposed" to commit the crime may be permissible.

Moreover, the attorney general insists he had nothing to do with the decision to employ a sex lure to induce the target into performing a criminal act on television.

But when I asked him two months ago if the decision to set up the mayor had come to him for review, America's chief law officer grudgingly admitted that he "knew about it beforehand" — as if not giving a direct order to do the dirty business absolved him of responsibility.

This low point in federal law enforcement cannot be attributed to the popinjay prosecutor in charge of the District of Columbia case. By refusing to say "We don't stoop this low," the attorney general gave the Bush administration's approval to a precedent in electronic keyhole-peeking that shames the law.

Thank God for juries. A sufficient number of jurors found this trick repugnant enough to torpedo the case. It convicted Mr. Barry of one misdemeanor count of drug use, acquitted him of another, but refused to convict on the felony accusations. In effect, the jury said, "We know he's a drug user, but we won't stand for the way the government went overboard."

The embarrassed prosecution explains: We had to get this man. He was the drug-ridden mayor of a drug-ridden city. Because we could not allow a junkie to occupy a high place, we spent millions and stretched privacy standards to get him.

Provided he's not a political buddy. Readers may recall a charge in this space two and a half months ago of a double standard in the investigation of officials suspected of drug use (*"Now a Stinging Crusader, Now a Demurring Ostrich," IHT, May 29*). Henry Barr was, for 20 years, Dick Thornburgh's right-hand man. He came to Washington with his boss, the attorney general, and soon was the assistant overseeing criminal matters, with the highest security clearance.

Last year he quit suddenly, as Neil Lewis of The New York Times discovered, only two days after a longtime associate in Pennsylvania was named as target in a drug investigation.

Did Mr. Thornburgh authorize sleazy sex lures and costly sting operations to trap his side, who was privy to the most secret drug busts? No. Did he recognize the conflict of interest and turn the matter over to independent counsel? No.

The attorney general and an array of top aides at Justice recused themselves. Mr. Thornburgh was deliberately so out of it that — until he heard it in a question from me — he did not know that even the head of his Criminal Division had ducked out of the case.

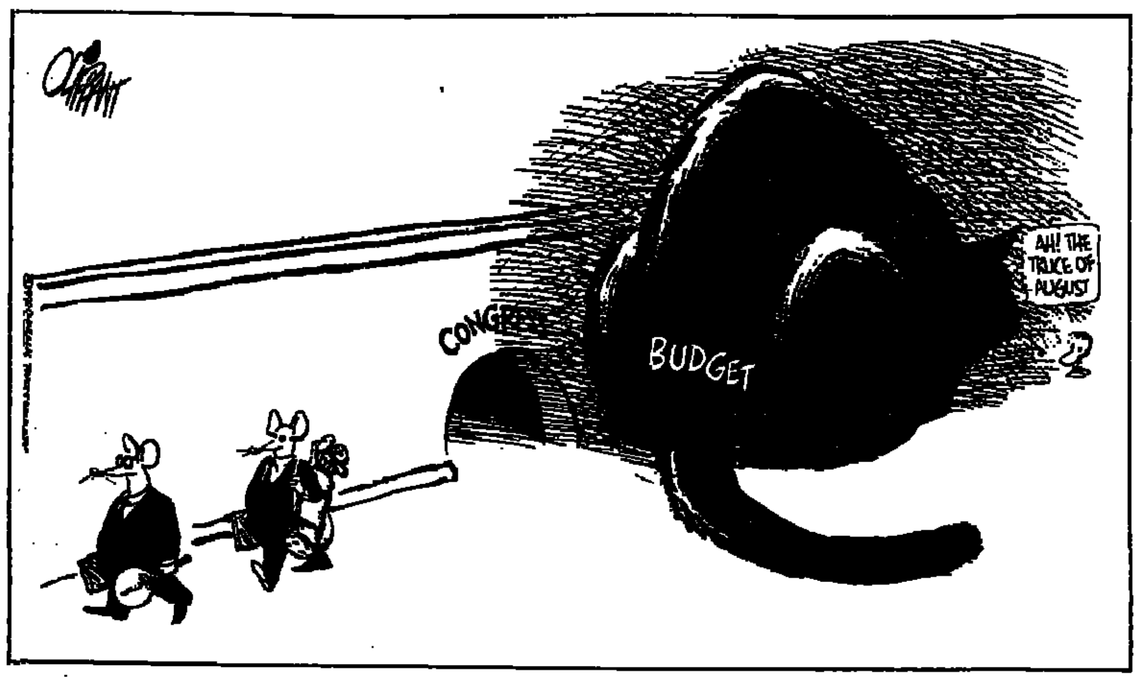
He resisted calls for a special prosecutor. Finally, 16 months after Mr. Barr quit, Senator Arlen Specter of Pennsylvania, who knows something about Harrisburg politics and the law's delays, called for an independent counsel. So did the defendant's lawyer, now worried about catch-up zeal.

Judiciary Committee members swing more weight at Justice than columnists. Thus prodded, only 11 days later a grand jury indicted Henry Barr for cocaine use. It was the same day that a petit jury gave Marion Barry his victory over sleazealotry.

What's the point of this juxtaposition? Not race; no plot exists to get black officials and let whites go. Nor may we compare Mr. Barry's admitted guilt to Mr. Barr's protested innocence.

When evidence points at high-level officials, a single standard should apply: If the suspect is a political opponent, the attorney general should authorize a respectable level of investigative diligence; and if the suspect is a buddy, he should speedily assign independent counsel.

The New York Times.



LETTERS TO THE EDITOR

On Cambodia Policy, Some Questions From Singapore

The opinion column "Cambodia: A U.S. Change for the Worse" by Wong Kan Seng, minister for foreign affairs of Singapore (*July 25*), elicited two letters that were published in the International Herald Tribune of Aug. 7.

The government of Singapore sympathizes with the spirit that prompted the letters. We have no love for the Khmer Rouge. We agree that a free and prosperous Cambodia and Vietnam would be in the best interest of all. The more vibrant centers of economic growth in Southeast Asia, the more economic opportunities for all, including Singapore. There are few opportunities in poor and war-torn countries. We agree that free elections are the best means for ending the bloodshed in Cambodia.

The question is how to achieve these desirable ends. The time is long past when we can deal with the Khmer Rouge by ignoring them. In 1981, at the International Conference on Cambodia, we had an opportunity to politically conscribe the Khmer Rouge, who were then a relatively weak force. But the Association of South East Asian Nations did not get the support it needed. The Khmer Rouge are now a formidable military force of some 40,000 disciplined, motivated and heavily armed guerrillas, not without political support inside Cambodia. We must not allow them to conclude that their interests are best served on the battlefield.

The only way to deal with the Khmer Rouge is to draw them into the negotiating process and include them in a political settlement. Singapore would gladly endorse any convincing alternative. But any alternative must deal with uncomfortable facts. From 1980 to 1989, the Soviet Union gave Vietnam and Cambodia an estimated $1 billion to $3 billion per year in military and economic assistance. Are America and Europe willing to give assistance of the same magnitude or even increase it? Will aid really help? Soviet aid did not prevent the Khmer Rouge from surviving and growing.

If Western aid does not work, will America and Europe intervene militarily in Cambodia to save Hun Sen (with or without Prince Norodom Sihanouk) and stop the Khmer Rouge? Will military intervention work? The Vietnamese failed after 11 bitter years of warfare. Are Americans and Europeans prepared to die to save Cambodians?

Can the West make China stop supporting the Khmer Rouge? Will America and Europe replace the Soviet Union as guarantors of Vietnam's security? Will they intervene to help Hanoi if there is another conflict with China? Is the West willing to impose sanctions to cut China off from the world economy to protect Vietnam and force China to stop supporting the Khmer Rouge? Is it desirable to do so? What would an isolated and embittered China mean to the world?

I fear that we have not yet heard any convincing answers to these questions.

BILAHARI KAUSIKAN,
Press Secretary to the
Minister for Foreign Affairs.
Singapore.

Crossing Borders in Force

Rod Miller (*Letters, Aug. 8*) asks, "Can anyone explain the difference, in terms of international law and human suffering," between Saddam Hussein's adventure and George Bush's invasion of Panama, "where the civilian victims are still being counted?"

Although I am not an inveterate supporter of U.S. foreign policy, I can see a number of conspicuous differences. Mr. Bush acted to remove a known international drug trafficker (among Manuel Noriega's repertoire of illicit avocations) and to restore Panama's democratically elected president to office. Despite the civilian casualties, the Panamanian government and the civilians in that country have demonstrated gratitude, not resentment, toward the United States since the affair.

The U.S. intervention in Panama halted a reign of oppression and violence. Saddam Hussein's invasion of Kuwait promises to expand the domain of a despotic regime.

Persecution and murder were prevalent under the Noriega regime. While counting the casualties that resulted from the U.S. intervention, one should keep in mind that a far greater number of Panamanians would be suffering had the United States abstained from action.

J. ASHER THOMPSON Jr.
London.

The Arabs can sort out their troubles without outsiders interfering.

Mrs. M. MUNROE.
London.

We Used to Be Able to Flee From the News Bulletins

By David S. Broder

BEAVER ISLAND, Michigan — The world is such a sneaky place that even here, at the top of Lake Michigan, one can't get away from it. It surely seemed safe to give readers a respite from these vaporings while I wandered some of the most beautiful beaches and wooded trails in the world. But no.

Saddam Hussein respects vacation no more than he does borders. And so a week that should have demanded nothing more mentally taxing than cutting

MEANWHILE

down the weeds in the driveway and zapping the poison ivy under the landmark pine was marred by earnest discussions of Mideast politics on National Public Radio and bulletins from Baghdad or Moscow or Kennebunkport, Maine.

But there is insulation in remoteness, and those reports were muffled by the nostalgia that enveloped the island last week. Mostly, we were living in the past. Given what was happening in the present — including the discovery that it would cost $1.88 a gallon, instead of the previous week's $1.58, to refill the pickup — the past seemed a good place to be.

The week of recollection and reunion began with Marilyn and Joe Reed's 40th wedding anniversary, a surprise party arranged by their children. The young Reeds had converted four decades of family album photos into slides and had managed somehow to get the carousel to switch pictures in time with recorded music of the '40s, '50s and '60s. The sound-and-light show reduced all of us watchers to teary-eyed laughter.

At the end of the week came the traditional island Homecoming, the weekend of the Bud McDonough Memorial softball tournament, the Saturday night dance and the August Dinner in the Parish Hall. The ferry from Charlevoix was packed with hundreds of former residents, glad to be back even briefly on the island where they once lived.

In between the Reed anniversary and the Homecoming was the Beaver Island Historical Society's dinner honoring Helen Hoffman Collar, who at age 88 is up here for her 76th consecutive summer.

The erect and independent lady now seems quite recovered from the long-ago shock of seeing her only daughter marry this itinerant reporter. Last week's dinner honored not only her fidelity to Beaver Island but her unique contributions to the recording of its history.

Almost 40 years ago, she began sorting out the relationships and setting down the stories of the Irish fishing families who settled on the island after the short-lived Mormon Kingdom of St. James ended with the murder of James Jesse Strang in 1856. (That is another story.)

Her researches took her into the land records in the Charlevoix County courthouse and the census forms stored at the National Archives in Washington. But by far the richest and most rewarding parts of her work were the tales she gathered — and meticulously cross-checked — from the second-generation survivors who had heard their parents' firsthand accounts of the island's settlement.

Tape recording was much too intrusive a technique for this story gathering, she said in her remarks the other night. "A bunch of us would have tea together, and I'd steer the conversation to what I wanted to know ... and as soon as I got back to my cabin, I would write down what they told me."

The results of her researches filled many notebooks and file boxes and provided material for her articles in the Michigan and Beaver Island history journals. More prized on the island, however, are the drawings she did from faded family photos of those early settlers (and later donated to the local museum), and the family genealogies she constructed.

Helen Pike, a white-haired islander who recalled the youthful Helen Hoffman "stopping at our house with her daily supply of candy bars," remarked: "One of my most cherished possessions is the genealogy chart Helen made. It is in our family Bible, but I can't begin to tell you how many times I've taken it out to make copies for others in the family."

There were gifts and proclamations, but the gesture that clearly moved the honoree most was the decision by the museum trustees — all islanders — to name the planned, climate-controlled addition to the museum as the Helen Hoffman Collar Archival Center.

When she rose to respond, her eyes shining with excitement, she told some of her favorite stories of those early settlers, who came from the islands of Rutland and Aranmore off County Donegal or from the ports and farms of County Mayo. She recalled the wondrously inventive nicknames they used to distinguish the various Boyle, O'Donnell and especially Gallagher clans. She told of the island of her girlhood, a place without electricity or radios and with only a handful of phones, where the news of World War I battles was softened by vagueness of detail and the passage of time.

Last week, especially, that sounded like a wonderful time and place.

The Washington Post.

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(b) Intl Portfolio 'B'	ECU	97.13
BAII MULTICURRENCY		
(r) Multicurrency US$	$	1,288.79
(r) Multicurrency Ecu	ECU	1,208.42
(r) Multicurrency Yen	Y	272,514.00
(r) Multicurrency FFR	FF	10,948.57
BNP INTERFUNDS		
BNP LUXEMBOURG		
(w) INTERBOND FUND.	$	201.86
(w) INTERBELGIAN.	FB	57,134.00
(w) INTERECU FUND 'A'	ECU	255.54
(w) INTERECU FUND 'B'	ECU	1069.19
INTER CASH		
(t) France Securite.	FF	12,652.93
(t) France Monetaire.	FF	10,863.36
(t) ECU	ECU	1,402.88
(t) US$	$	1,073.55
(t) DM	DM	2,139.19
(t) GBP	£	1,073.85
(t) FRF	FF	14,722.18
(t) France Capital.	FF	11,674.31
INTER OPTIMUM		
(w) BEF/LUF	FB	72,875.00
(w) Multidevises DM	DM	2,018.90
(w) US$	$	996.63
(w) FRF	FF	10,507.82
INTER STRATEGIE		
(w) France.	FF	9,565.34
(w) Europe du Nord.	£	1,000.24
(w) Europe du Centre.	DM	2,208.74
(w) Europe du Sud.	ECU	1,842.93
(w) Japan.	Y	142,364.00
(w) Amerique du Nord	$	1,033.31
(w) Sud-Est Asiatique.	$	972.25
BNP JERSEY		
INTER CURRENCY		
(w) US$	$	11.6934
(w) DM	DM	22.7040
(w) GBP	£	12.2841
(w) International Managed.	$	11.5238
INTER EQUITY		
(w) French Offer.	$	17.78
(w) Pacific Offer.	$	22.33
(w) North American Offer.	$	12.01
(w) European Class.	$	11.66
(w) Australia Class.	$	10.76
BANQUE BELGE ASSET MGMT FUND		
Share Distributor Guernsey 0481 726614		
(w) Int'l Equity Fund (Sicav)	$	11.48
(w) Int'l Bond Fund (Sicav)	$	11.87
BANQUE INDOSUEZ		
(w) Asian Growth Fund	$	34.61
(w) Asian Income Fund	$	8.89
(w) Diverbond	SF	76.60
(m) Dual Futures Fd. Class A Units	$	108.01
(m) Dual Futures Fd. Class B Units	$	104.90
(m) Dual Futures Fd. Class C Units	$	102.96
(m) Dual Fut. Fd. Class D Units	$	103.07
(w) FIF-Internat. Div.A	$	20.17
(w) FIF-Internat. Div.B	$	21.22
(w) FIF Internat.America	$	15.80
(w) FIF Internat.Europe	$	24.10
(w) FIF Internat.Japan	Y	1,084.00
(w) FIF Internat.Pacific	$	46.08
(w) FIF Intl.S'pore+Malay.	SGS	9.40
(w) FIF Int. Nat. Res. A	$	12.88
(w) FIF Int. Nat. Res. B	$	13.22
(w) FIF Int. Switz.	SF	97.35
(w) France International	FF	97.17
(w) France Blue chips No 1	FF	118,519.62
(m) Galaxy Futures Fd Ltd	$	115.10
(w) Gestion Selective	FF	4,714.06
(w) Himalayan Fund	$	10.12
(w) Indosuez Australia Fund	$	4.395
(d) Indosuez Hong Kong Fund	$	16.870
(w) Indosuez Mult. Div. A	$	134.02
(w) Indosuez Mult. Div.B	$	298.38
(w) Indosuez Multibonds US$	$	109.86
(w) Indosuez Multibonds YEN	Y	10,289.00
(w) Indosuez Mult. DM	DM	105.49
(w) Intl Bond Fund	$	11.030
(w) IPNA-3	$	1720.00
(w) ISA Japan RecPGr. Fd.	Y	980.00
(w) Japan Fund	$	14.640
(d) Japan Warrant Fund	$	6.10
(w) Malacca Fund	$	10.56
(w) Managed Trust	$	19.175
(w) Manila Fund	$	8.54
(d) New Zealand Fund	$	7.515
(w) North American Fund	$	22.015
(d) Oriental Ventures Trust	$	46.855
(w) Pacific Gold Fund	HK$	12.77
(w) Pacific Trust	$	26.810
(d) Pacific Warrant Trust	$	7.740
(d) Precious Metals Trust	$	10.145
(w) The Dragon Fund Sicav	$	99.55
(w) The Siam Fund	$	28.13
(w) Sing. & Malay. Trust	$	15.830
(d) Worldwide Growth Fund	$	9.730
BANQUE PRIVEE E. DE ROTHSCHILD		
(w) Daiwa Capital E. Fund	$	975.25
(w) Daiwa LCF Rothschild	$	1,041.48
(w) Ecu D'Or	ECU	81.80
(w) Hispano Int'l Fund	ECU	10.77
(b) Pri-Tech	$	1223.97
(b) Source Sicav	$	12.22
BANQUE E. DE ROTHSCHILD LUX. SA		
(b) Obliber BP Fixed Inc.Fund	DM	104.25
(b) Obliber BP General Fund	DM	109.24
(b) Eagle Fund	LF	8,927.00
(b) Europe Japan Fund	$	10.23
(d) Governm. Sec. Fund*	$	67.59
(w) Leicom	$	2707.51
(b) Opportunities Fund	$	936.40
(d) Prifirst	$	26.62
(b) Prima fund	DM	49.36
(w) Renta Plus	BF	4,849.00
(f) Select. Horizon Dev.	FF	56,310.17
(f) Select. Horizon FF	FF	60,928.95
(b) Star Conv.Fund FL	FL	10,225.00
(b) Star Conv.Fund USD	$	101.99
BANQUE SCANDINAVE EN SUISSE-GENEVA		
(w) Interbond Chf.	SF	69.43
(w) Intelsec Chf.	SF	1161.38
(w) Universal Intelbond	$	15.52
(w) Universal Intelsec	$	16.01
(w) Universal Intelbond	FF	101.92
BROADGATE INTERNATIONAL FUND		
(d) $ Money Market	$	13.54
(d) Non-$ Money Market	DM	32.42
(d) $ Bond	$	13.86
(d) Non-$ Bond	DM	20.35
(d) European Equities	$	10.49
(d) Global Equity	$	17.24
(d) Global Bond	$	14.44
(d) Global Bond & Equity	$	14.98
(d) Pacific Equities	$	10.08
(d) Prec. Mets/Min. Secs	$	6.97
B.W MANAGED ASSETS CY.SICAV		
(f) Global Bond Fund	ECU	18.21
(f) European Securities Fd.	ECU	14.80
(f) French Securities Fund	FF	135.84
(f) North American Secu.Fund	$	13.23
(f) Pacific Basin Secu. Fund	$	9.42
CAISSE CENTRALE DES BANQUES POP.		
(d) Fructilux Obl. Fses	FF	6,057.62
(d) Fructilux-Obl.Euro	ECU	1,118.58
(d) Fructilux-Act.Fses	FF	6,861.26
(d) Fructilux-Act.Euro	ECU	1,241.81
(d) Fructilux court terme	FF	6,251.17
CALLANDER		
(w) Callander Emer. Gr.	$	109.43
(w) Callander F-Asset	$	92.13
(w) Callander F-Austria	AS	1,497.52
(w) Callander F-Spanish.	Ptas	9,041
(w) Callander Swiss Gr.	SF	150.14
CAPITAL INTERNATIONAL		
(w) Capital Int'l Fund	$	92.85
(w) Capital Italia SA	$	41.16
CCF-GAMMA		
(w) CM Actibonds	$	36.00
(w) CM Global Growth	$	10.72
(w) Elysees Court Terme	FF	62,312.36
(w) Elysees Long Terme	FF	56,787.71
(w) Elysees Monetaire	FF	64,980.61
(w) EMF Sterlings (A & B)	£	546.50
(w) EMF Dutch Gul.(A&B)	FL	1029.90
(w) EMF D-Mark (A&B)	DM	991.61
(w) EMF Ecu (A & B)	ECU	1,048.29
(w) EMF US Dollar (A & B)	$	1,082.09
(w) EMF Yen (A & B)	Y	98402.00
(d) Europe Prest. Fd A	ECU	18.16
(d) Europe Prest. Fd B	ECU	11.95
(w) Euro. Smir Cos. Fd A	ECU	14.48
(w) Euro. Smir Cos.Fd.B	ECU	14.68
CDC INTERNATIONAL		
(w) CFI Court Terme	FF	127,673.76
(w) CFI Long Terme	FF	1102619.48
CIC GROUP		
(d) Oblicic Monetaire	FF	12392.53
(d) Oblicic Court Terme	FF	12488.47
CITICORP INVESTMENT BANK (Lux.)		
POB 1373 Luxembourg Tel. 477.95.71		
(d) Citicurrencies USD	$	1,401.36
(d) Citicurrencies Managed	$	121.20
(d) Citinvest Ecu Income	ECU	1,384.58
(d) Citinvest Global Growth	$	1,214.39
(d) Citi.Mana.Growth Euro	ECU	1,426.91
(d) Citinvest Selector	$	888.65
(d) Citinvest Guardian $	$	1,084.02
(d) Citinvest Guard. Euro	ECU	1,077.69
(d) Citiport N.A Equity	$	133.84
(d) Citiport Jap. Equity	Y	8,940.00
(d) Citiport UK Equity	£	111.00
(d) Citiport S.Asian Eq.	$	126.55
(d) Citiport Cont.Euro. Eq.	ECU	141.62
(d) Citiport N.A.S Bond	$	118.27
(d) Citiport Euro Bond	ECU	106.02
(d) Citiport AS.Pac.Bd.	Y	11,026.00
CITITRUST		
(w) US. $ Equities	$	208.14709
(w) US. $ Bonds	$	12.80506
(w) US. $ Money Market	$	13.45461
(w) Citiland	$	919.09071
(w) Citiperformance Pfl S.A	$	9.88025
(w) Global Equities	$	8.79000
(w) Global Money Market	$	12.52000
(w) Global Bonds	$	11.19000
COMPASS INTL HOLDINGS Ltd.		
POB 455, Jersey 0534 27267		
(w) Bond: Dollar Medium Term	$	11.06
(w) Bond: Ecu Multicur.	ECU	10.21
(w) Equity: United Kingdom	£	9.22
CONTINENTAL PACIFIC GROUP		
(m) Intl Metals Inv. Corp.	$	86.51
(m) Intl Liq. I Inv. Corp.	$	170.31
(m) Intl Bonds Inv. Corp.	$	125.08
(m) Intl Liq. II Inv. Corp.	SF	101.64
(m) Intl Spec. II Inv. Co.	SF	87.25
(m) Intl Shares Inv. Corp.	$	156.57
CREDIT AGRICOLE: MOSAIS		
(d) Actions Bassin Pacif.	$	15.28
(d) Actions Europeennes	ECU	14.99
(d) Actions Francaises	FF	99.77
(d) Actions Int. Div.	FF	106.60
(d) Actions Japon	Y	2092.82
(d) Actions Nord-Am.	$	16.66
(d) Court Terme ECU	ECU	115.10
(d) Court Terme FRF	FF	104.85
(d) Court Terme USD	$	15.80
(d) Oblig. Europeenes	ECU	15.72
(d) Oblig. Francaises	FF	104.97
(d) Oblig. Ht. Rendt.	$	16.42
(d) Oblig. Int. diversifiees	FF	103.96
(d) Oblig. Int.Div.Sensib.Red	FF	104.87
(d) Oblig. N. Americaines	$	15.10
CREDIT SUISSE (ISSUE PRICES)		
(d) CSF Bonds	SF	73.50
(d) Bond Valor Swf	SF	96.70
(d) Bond Valor US-DOLLAR	$	125.04
(d) Bond Valor D-mark	DM	103.24
(d) Bond Valor Yen	Y	10,014.00
(d) Bond Valor £ Sterling	£	92.17
(d) Convert Valor Swf	SF	144.50
(d) Convert Valor US-DOLLR	$	193.18
(d) CSF International	SF	125.25
(d) Actions Suisses	SF	379.75
(d) Europa-Valor	SF	219.50
(d) Energie-Valor	SF	151.00
(d) Canasec	SF	511.00
(d) Ussec	SF	682.00
(d) Pacific-Valor	SF	136.00
(d) CS Eu. Blue Chips A	DM	261.26
(d) CS Eu. Blue Chips B	DM	261.26
(d) CS Gold Valor	$	151.81
(d) CS Ecu Bond A	ECU	99.33
(d) CS Ecu Bond B	ECU	122.97
(d) CS Euro Finance Fd 'A'	DM	231.94
(d) CS Euro Finance Fd 'B'	DM	231.94
(d) CS Europa Bond 'A'	DM	247.72
(d) CS Europa Bond 'B'	DM	271.00
(d) CS Gulden Bond A	FL	95.94
(d) CS Gulden Bond B	FL	111.33
(d) CS Hispano Iberia Fd 'A'	PTS	23,085.00
(d) CS Hispano Iberia Fd 'B'	PTS	23,085.00
(d) CS Money Market Fund	$	1,002.25
(d) CS Money Market Fund	ECU	1,005.06
(d) CS Prime Bond 'A'	DM	88.42
(d) CS Prime Bond 'B'	DM	100.01
(d) CS Short-T. Bd DM A	DM	97.14
(d) CS Short-T. Bd DM B	DM	114.19
(d) CS Short-T. Bd $ A	$	101.33
(d) CS Short-T. Bd $ B	$	122.00
(d) CS Money Market Fund	£	1257.04
(d) CS Money Market Fund	DM	1315.38
(d) CS Money Market Fund	£	1783.74
(d) CS Money Market Fd Yen	Y	122247.00
(d) CS Tiger Fund	$	571.87
DIT INVESTMENT FFM		
(d) Concentra	DM	49.44
(d) Int'l Rentenfond	DM	71.52
EBC TRUST CO.(JERSEY) LTD.		
1-3 Sele St.,St. Helier:0534-36331		
EBC AMRO TRADED CURRENCY FUND.		
@(d) Inc.: Bid $ 14.23 Offer	$	15.017
@(d) Cap.: Bid $ 22.20 Offer	$	23.422
INTERNATIONAL INCOME FUND		
(d) Short Term 'A' (Accum)	$	0.7978
(d) Short Term 'A' (Distr)	$	0.5183
(d) Short Term 'B' (Accum)	$	1.2225
(d) Short Term 'B' (Distr)	$	0.8713
(w) Long Term	$	33.0476
ELDERS INT'L MGMT SRVCS		
see PRISM ASSET MANAGEMENT		
ELDERS SWITZ.(088) 25 17 25		
(w) Elders Int Bid SF 165.25 Offer	SF	172.50
(w) Elders Aus Bid A$ 86.75 Offer	A$	96.75
EQUIFLEX LIMITED		
(w) Europe A	FL	11.52
(w) North America A	FL	9.06
(w) U.K. Equities	£	
(w) U.K. Small Co.	£	7.67
EURO PACIFIC ADVISERS Ltd.		
(w) Meteora	Y	121,372.00
(w) Pacific Horizon Invt. Fd	$	2,191.51
FOREIGN & COLONIAL MGT. LTD.		
1, Laurence Pountry Hill, EC4, 01-623-4680		
(w) Amer.Smaller Cos.Eq.Pfl.	$	10.82
(w) Oriental Equity Pfl.	$	10.45
(w) European Equity Pfl.	$	15.48
(w) Nordic Equity Pfl.	$	17.17
(w) Amer. Mgt. Equity Pfl.	$	9.73
(d) Western Pac. Equity Pfl.	$	11.38
(d) Mediterranean Equity Pfl.	$	11.83
(d) British Equity Portfolio	£	10.47
(d) U.S.$ Sh. Term Asset Pfl.	$	10.08
(d) Sterling Sh. Term Asset Pfl.	£	10.38
(d) North American Bond Pfl.	$	10.12
(d) Multi-Currency Bond Pfl.	$	10.49
(d) Sterling Bond Portfolio	£	9.87
(d) Ecu Bond Pfl	ECU	10.37
FIDELITY INT'L INV. MGMT (LUX.) S.A.		
(d) New Europe Fund	$	11.95
(d) Fidelity Conv. Sec. Portf.	$	10.26
FIDELITY POB 670, Hamilton Bermuda		
(m) Fid.Amer.Val.II Com.	$	98.23
(m) Fid.Amer.Val.III Com.	$	93.93
(m) Fid.Amr.Val.III Cum.Pref	$	102.84
(d) Fidelity Amer. Assets	$	131.41
(d) Fidelity Australia Fund	$	16.49
(d) Fidelity Dir. Svgs.Tr.	$	177.82
(d) Fidelity Pacific Fund	$	352.63
FIDELITY INT'L SERVICE (LUX.)		
(d) Balanced Portfolio-hedged	$	9.47
(d) Balanced Portfolio-unhedg	$	10.49
(d) Fidelity Discovery Fund	$	15.91
(d) Fidelity Far East Fund	$	70.30
(d) Fidelity Frontier Fund	$	21.59
(d) Fidelity Global Ind. Fd	$	13.93
(d) Fidelity Global Selct Fd	$	14.05
(d) Fidelity Int'l. Fund	$	14.98
(d) Fidelity Orient Fund	$	105.23
(d) Fidelity Spcl. Growth Fd.	$	37.24
(d) Fidelity World Fund	$	66.79
FIDELITY INT'L (CI) LTD.		
FIDELITY PERFORM PORTFOLIOS LTD.		
(d) American Portfolio	$	1.05
(d) European Portfolio	$	2.06
(d) Japan Portfolio	$	1.21
(d) South East Asian Portfolio	$	1.16
(d) U.K. Portfolio	£	1.14
(d) Intl. Bond Portfolio	$	0.94
(d) Sterling Liquidity Pfl.	£	18.00*
(d) Dollar Liquidity Portfolio	$	18.00*
FINAFUTURES (BVI) Ltd		
(w) Portofolio (est.)	$	1.0976
FOKUS BANK A.S 472 428 555		
(w) Scanfonds Int'l growth fd	$	1.57
GAIA CURRENCY HEDGE FUNDS		
(w) Gaia Hedge I $ 118.39 Red	$	117.54
(w) Gaia Hedge II $ 282.12 Red	$	274.18
(w) Gaia Hedge III $ 157.11 Red	$	151.19
GARTMORE FUND MANAGERS INT.		
45,La Motte Street, JERSEY 0534 27301		
CAPITAL STRATEGY FD. LTD.		
(d) American	$	1.546
(d) Canadian fund	Can$	0.8701
(d) British	£	2.713
(d) European Fund	DM	5.896
(d) Eastern European Fd	DM	5.282
(d) Asia Pacific Fd	$	2.198
(d) Japan Fund	Y	683.00
(d) Australasian Fund	$	0.2428
(d) Global Resources Fund	$	0.8572
(d) Emerging Markets Fund	£	7.242
(d) International growth	$	2.852
(d) Sterling Bond	£	0.9996
(d) E.C.U. Bond Fund	ECU	0.9458
(d) International Bond	$	1.197
(d) US$ Deposit	$	1.093
(d) Sterling Deposit	£	1.030
(d) French Franc Deposit Fd	FF	10.43
(d) Sw. Fr. Deposit	SF	5.185
(d) DM Deposit	DM	5.153
(d) Yen Deposit	Y	514.3
(d) Austr.Dollar Dep. Fd	A$	1.064
(d) Global Conv. Bond Fd	$	17.31
GEFINOR FUNDS		
London: 071-4994171, Geneva: 41-22355530		
(w) East Investment Fund	$	987.89
(w) Scottish World Fund	£	191.1516
(w) State St. American	$	320.12
GENERALE BANK		
(see also Interselex Group)		
(d) Rentinvest	$	29.44
(d) Capital Rentinvest	$	137.13
(d) Rentinbel Distr.	LF	9,477.00
(d) Rentinbel Cap.	LF	11,083.00
GAM ANLAGEFONDS AG.		
POB 164, 8034 Zurich Tel.41-1-2516640		
(d) GAM (CH) America	SF	1348.00
(d) GAM (CH) Europe	SF	90.00
(d) GAM (CH) Mondial	SF	1228.00
(d) GAM (CH) Pacific	SF	1561.00
(d) GAM Tradition	SF	913.00
GENESEE FUND LTD. 12/07/90		
(w) (B)Genesee Short	$	104.11
(w) (C)Genesee Opportunity	$	100.88
GLOBAL ASSET MANAGEMENT CORP.		
11 Athol St.Douglas, I. of Man,44-624-26037		
(w) GAM Arbitrage Inc	$	229.27
(w) GAMerica Inc	$	248.01
(w) GAM Australia Inc.	$	125.27
(w) GAM Asean Inc.	$	175.11
(w) GAM Bond Fund Inc U.S Ord.	$	109.57
(w) GAM Bond Fund Inc U.S Spe.	$	120.55
(w) GAM Bond Fund Inc.	SF	88.91
(w) GAM Bond Fund Inc.	£	97.44
(w) GAM Bond Fund Inc.	DM	84.29
(w) GAM Bond Fund Inc.	Y	10,865.00
(w) GAM Boston Inc	$	235.14
(w) GAM Ermitage	$	33.93
(w) GAM Europe Fund	$	100.57
(w) GAM European Inc.	$	118.75
(w) GAM Franc-Val Inc.	SF	200.77
(w) GAM France Inc	FF	1578.74
(w) GAM Global Fund	$	131.94
(w) GAM High Yield Inc.	$	94.23
(w) GAM Hong Kong Inc.	$	221.14
(w) GAM International Inc.	$	170.01
(w) GAM Japan Inc.	$	562.12
(w) GAM Money Mkts. Fund	$	101.01
(w) GAM Money Mkts. Fund	£	101.88
(w) GAM Money Mkts. Fund	SF	101.88
(w) GAM Money Mkts. Fund	DM	100.05
(w) GAM Money Mkts. Fund	Y	10,409.00
(w) GAM Mlti-Mngt Deferred Cl	$	100.00
(w) GAM Mlti-Mgr Fd Inc Gen Eq	$	104.05
(w) GAM Mlti-Mgr Fd Inc Alloc.	$	101.93
(w) GAM Mlti-Mgr Fd - Trading	$	102.50
(w) GAM North America Fund	$	99.77
(w) GAM Pacific Basin Fund	$	131.13
(w) GAM Pacific Inc	$	524.34
(w) GAM Restr. Fd. Inc.	$	133.80
(w) GAM Singapore/Malay Inc	$	265.00
(w) GAM Swiss Fr Spec Bd Fd	SF	91.63
(w) GAM Univ. D-Mark Fd.	DM	108.04
(w) GAM Value Inc.	$	92.52
(w) GAM Worldwide Inc	$	437.47
(w) GAM Tyche S.A. Class A	$	203.82
(w) GAM Universal (Se) Inc.	SF	90.75
(w) GAM U.S. Inc.	$	162.48
(w) GAM Whitehorn Fund Inc.	$	131.43
(w) GAM ut Inc.	$	358.37
(w) GSAM Composite Inc.	$	225.54
G.T. MANAGEMENT PLC		
(d) G.T. ASEAN Fund	$	53.88
(d) G.T. Asia Fund	$	16.02
(d) G.T. Australia Fund	$	26.76
(d) G.T. Berry Japan Fund	$	37.08
(w) G.T.Biotech/Health Fund.	$	10.70
(d) G.T. Bond Fund	$	14.07
(d) G.T. Britain Fund	£	6.74
(d) G.T. Deutschland Fund	$	14.71
(d) G.T. Dollar Fund	$	18.72
(d) G.T. Europe Fund	$	25.88
(w) G.T. Emerging Mkts Fund	$	9.45
(w) G.T. Euro. Small Cos. Fund	$	40.59
(w) G.T.Global Small Cos.Fund	$	18.57
(w) G.T.Global Techno. Fd	$	16.52
(d) G.T. Hong Kong Fund	$	28.74
(d) G.T. Honshu Pathfinder	$	12.94
(d) G.T. Investment Fund	$	13.24
(w) G.T. Japan OTC Stocks Fund	$	13.06
(w) G.T. Japan Sml Co.Fd	$	19.10
(d) G.T. Korea Fund	$	6.17
(d) G.T. Nat Res. Fd Gold Class	$	5.94
(d) G.T. Newly Ind. Countr. Fd	$	31.10
(d) G.T. Select Dollar Bd Pfl	$	
(d) G.T. Select Int Bd Pfl.	$	
(d) G.T. Select Gilt Pfl.	£	
(r) G.T. Technology Fund	$	37.69
(d) G.T. U.K. Small Companies	£	8.21
(w) G.T. U.S. Small Companies	$	14.80
HENDERSON HORIZON FUND		
(d) HHF Japan Portfolio	$	11.00
(d) HHF Japan Sm. Cos. Ptfl.	$	21.88
(d) HHF Pacific Portfolio	$	11.59
(d) HHF North Amer.Portfolio	$	4.84
(d) HHF European Portfolio	$	8.74
(d) HHF U.K. Portfolio	$	6.10
(d) HHF Global Portfolio	$	9.30
(d) HHF Fixed Interest Ptfl.	$	8.69
(d) HHF Dollar Liq. Ptfl.	$	0.8040
(d) HHF Sterling Liq. Ptfl.	£	1.0856
(d) HHF Invt. Cos. Ptfl.	$	10.99
HENDERSON PTFL. MGT. SERVICE		
(d) HPMS Dol. Bal. Gr. Ptfl.	$	2.016
(d) HPMS Sterl. Bal. Gr. Ptfl	£	1.189
(d) HPMS Dol. Sel Markets Ptfl	$	2.081
(d) HPMS Dol.Income & Gr. Ptfl	$	1.778
(d) HPMS Sterl. High Inc. Ptfl.	£	0.585
HILL SAMUEL GLOBAL PORTFOLIO		
3A rue Pierre d'Aspelt Luxembourg 1142		
(d) H. S. Glbl Pftl UK Equity	£	8.69
(d) H. S. Glbl Pftl UK Sm.Co.Eq.	£	9.88
(d) H. S. Glbl Pftl N.Amer. Eq.	$	9.38
(d) H. S. Glbl Pftl US Sm.Co.Eq.	$	9.19
(d) H. S. Glbl Pftl Pac.Bas.Eq.	$	9.29
(d) H. S. Glbl Pftl Jap. Eq.	Y	802.00
(d) H. S. Glbl Pftl Euro Eq.	DM	9.46
(d) H. S. Glbl Pftl St.Fix.Int.	£	9.49
(d) H. S. Glbl Pftl Eu.Fix.Int.	DM	9.15
(d) H. S. Glbl Pftl Glbl. Eq.	$	9.52
(d) H. S. Glbl Pftl Glbl. Bond	$	9.50
(d) H. S. Glbl Pftl Glbl. Mgd.	$	9.36
HILL SAMUEL INVEST. MGMT. INTL S.A.		
Jersey, P.O. Box 63, Tel 0534 76029		
Berne, P.O. Box 2622, Tel 4131 224051		
(d) Crossbow (Far East)	SF	12.95
(d) CSF (Balanced)	SF	33.73
(d) European Equity Fund	DM	19.76
(d) Intnl. Bond Fund	$	12.81
(d) Int. Currency U.S.Manag'd	$	28.32
(d) ITF Fd (Technology)	$	19.59
(d) O'Seas Fd (N. AMERICA)	$	50.63
(d) Int. Currency U.S.	$	27.98
IAM, 2 Bd. Royal LUXEMBOURG		
(w) Iam Flagship Fund	ECU	89.94
(w) Iam Bonds Fund Diversifie	$	
(w) Iam Bonds Fund-France	FF	602.29
(w) Iam Bonds Fund-Deutschl	DM	223.20
(w) Iam Bonds Fund-Japan	Y	10,464.00
(w) Iam Bonds Fund-Switz.	FS	219.12
(w) Iam Bonds Fund-Europe	ECU	117.55
(w) Iam Europe global	ECU	96.97
(w) Iam Europe luxe	ECU	109.39
(w) Iam Europe 90/10	ECU	104.66
(w) Iam Europe 1992	ECU	103.53
(w) Iam Europe du Sud	ECU	102.25
INTERSELEX GROUP		
(d) Int.America Fund	$	16.66
(d) Int.Belgo Fund	BF	2,933.00
(d) Int.Europa Sicav	LF	6,418.00
(d) Int.Pacific Fund	$	968.24
(d) Int.World Fund	$	90.65
ITALFORTUNE INTL. FUNDS.		
(w) Class A (Aggr.Growth Ital.)	$	52.36
(w) Class B (Global Equity)	$	11.00
(w) Class C (Global Bond)	$	11.37
(w) Class D (Ecu Bond)	ECU	9.86
ISLAMIC MGMT FUND LTD	$	1050.45
CSFB Fund Mgmt Ltd (0481-713996)		
PB122 St. Peter Port,Guernsey		
JARDINE FLEMING, GPO Box 11448 Hg Kg		
(d) J.F Japan Trust	Y	18,421.00
(d) J.F Pacific Sec. Trust	$	24.64
(d) J.F Pacific Income Trust	$	74.07
(d) J.F Hong Kong Trust	$	73.29
(d) J.F European	$	12.81
(d) J.F International	$	13.75
(d) J.F Gib Convertibles Trust	$	12.22
KIDDER,PEABODY & Co.Incorporated.		
(b) Chesapeake Fund Ltd.	$	1,493.89
(b) Stonehenge Ltd.	$	1,149.75
KLEINWORT BENSON SELECT FUND		
(d) British Fund	ECU	1.79
(d) Emerging Asia Fund	ECU	1.78
(d) European Fund	ECU	1.87
(d) Japanese Fund	ECU	1.82
(d) International Fund	ECU	1.71
(d) North American Fund	ECU	1.68
(d) Pacific Fund	ECU	1.77
LIPPO ASIA LIMITED		
(w) Java Fund	$	10.25
LLOYDS BANK PLC, POB 438, Geneva 11		
Mr. Peter Kins, 41 (22) 3073333/ext. 3394		
+(w) Lloyds Int'l Dollar	$	112.00
+(w) Lloyds Int'l Europe	SF	182.40
+(w) Lloyds Int'l Growth	SF	185.70
+(w) Lloyds Int'l Income	SF	259.00
+(w) Lloyds Int'l N. America	$	163.15
+(w) Lloyds Int'l Pacific	SF	155.70
(w) Lloyds Int'l Smaller Cos	$	16.17
MALABAR CAP MGMT (BERMUDA) LTD.		
(m) Malabar Intl.Fund	$	10.14
MAN INTERNATIONAL FUTURES		
(m) Athena	$	9.93
(m) Alubar Mint Gtd.Fund.Ltd.	$	105.91
(m) Mint Limited - Ordinary	$	45.53
(m) Mint Limited - Income	$	15.09*
(m) Mint Gtd Ltd - Spec Issue	$	22.45
(m) Mint Gtd Ltd - Series A	$	24.38
(m) Mint Gtd Ltd - Nov 1993	$	21.61
(m) Mint Gtd Ltd - Jan 1994	$	17.47
(m) Mint Gtd Ltd - Dec 1994	$	15.30
(m) Mint Gtd Ltd - Aug 1995	$	12.45
(m) Fbme Mint Gtd Plc	$	122.51
(m) Mint Sp Res Ltd (BNP)	$	112.08
(m) Newcastle Guaranteed Ltd	$	12.08
MAGNUM FUTURES FUND LTD.		
(m) Deutschemark Class	DM	19.93
(m) Sterling Class	£	5.04
(m) U.S Dollar Class	$	9.04
MERRILL LYNCH		
(d) Dollar Assets Portfolio	$	1.00
(d) Iberia portfolio	$	11.47
(d) Multi-Curr. Bond Portfolio	$	15.80
(d) U.S.A Income Portfolio	$	9.35
(d) US Federal Securities	$	9.71
(d) World Nat Res Pfl. Share A	$	12.08
(d) World Nat Res Pfl. Share B	$	12.00
GLOBAL CURRENCY PORTFOLIOS		
(d) Australian Dollar Pfl.	$	11.58
(d) Canadian Dollar Pfl.	C$	10.22
(d) Deutschmark Portfolio	DM	9.90
(d) Pound Sterling Portfolio	£	10.41
(d) US Dollar Portfolio	$	10.95
(d) Yen Portfolio	Y	973.00
M. LYNCH MLT.NAT'L INV PFL-EQ		
GLOBAL EQUITY PORTFOLIO		
(d) Class A	$	9.60
(d) Class B	$	9.37
CONVERTIBLE SECURITIES PTFL.		
(d) Class A	$	10.78
(d) Class B	$	10.74
BASIC VALUE PORTFOLIO		
(d) Class A	$	9.41
(d) Class B	$	9.37
MIM BRITANNIA,POB 271,St. Helier, Jersey		
(d) Amer. Inc. & Growth	$	1.265*
(d) Asia Super Growth Fund	$	12.87*
(d) Dollar Man.Curr	$	14.22*
(d) Dollar Man. Port	$	2.174
(d) Gold & Prec. Metals	$	1.067
(d) Gtd. N.W. 1994	$	8.31
(d) Int.High Income	$	2.435*
(d) Japan Dollar Perf. Fd	$	3.605
(d) Jersey Gilt	£	0.1657*
(d) Nippon Warrant Fund	$	14.82
(d) Okasan Global Strat	$	17.47
(d) Pioneer Markets	£	2.813
(d) Sterling Man.Port	£	1.579
(d) Sterling Man. Curr.	£	16.82
(d) U.K. Growth	£	0.978
NIMARBEN		
(w) Class A	$	174.52
NMB BANK,PO 1800,1000 BV Amsterdam.		
(w) The Brazil Fund	$	1.51
(w) NMB Dutch Fund	FL	40.50
(d) NMB Real Estate Fund.	FL	36.50
(d) NMB Euromix Fund	LF	2.100
NOMURA INVEST BANKING (M.E) E.C.		
(d) Nomura Gulf Fund	$	9.07
NOMURA INTL. (HONG KONG) LTD.		
(d) Nomura Jakarta Fund	$	11.03
OBLIFLEX LIMITED		
(w) Multicurrency	$	22.18
(w) Dollar Medium Term	$	17.30
(w) Dollar Long Term	$	14.67
(w) Japanese Yen	Y	22.95
(w) Pound Sterling	£	15.83
(w) Deutsche Mark	DM	12.63
(w) Dutch Florin	FL	12.82
(w) Dutch Florin Multi.	FL	10.37
(w) HY Euro. Currencies	ECU	10.39
(w) HY Euro.Curr.Divi.Pay.	ECU	9.91
(w) Swiss Franc	SF	10.69
(w) Swiss Franc Divi. paying	SF	10.13
(w) US Dollar Short Term.	$	10.39
(w) Swiss Multicurrency	SF	11.35
(w) European Currency	ECU	14.41
(w) Convertibles	$	11.55
(w) French Franc	F	104.07
(w) Swiss Multi-dividend	SF	8.55
OLYMPIA Capital Intl.,BVI		
c/o OCM, 17 ave. George V, 75008 Paris		
tel.: 33-1-47230374		
(w) Finsbury Group	$	134.69
(w) Olympia Securite	$	100.01
(w) Winchester Capital	$	101.56
(w) Winchester Frontier	$	204.67
(w) Winch.Hold.-Intl.SerD	ECU	1,194.81
(w) Winch.Hold.-Intl.SerF	ECU	1,170.01
(w) Winchester Hold.-US$	$	15.89
(w) Winch.Reser.Multi.Gvbd	$	12.98
(m) Winch.Fut.Divers.	$	16.10*
(m) Winch.Fut.Orion	$	17.71*
PARIBAS-GROUP		
(d) Belux Fund	LF	11,615.00
(d) Cortexa International	$	116.19
(d) Ecupar	ECU	1,418.62
(d) Luxor	$	8.61
(d) Moneyflow	LF	10,175.00
(d) Parinter Fund	$	216.70
(d) Par US Treas. Bond 'Cl. B'	$	157.86
(d) Euroshenix	ECU	179.16
(d) Parinter Bond Fund	$	13.35
(d) Paribas-Rente 'A'	LF	1,214.00
(d) Paribas-Rente 'B'	LF	1,402.00
(d) Parvest Obli-Franc 'A'	$	1,306.15
(d) Parvest Obli-Franc 'B'	$	1,306.15
(d) Parvest Obli-Sterling	£	100.44
(w) Pargest	SF	905.15
(w) Parvest Obli-DM 'A'	DM	1,173.34
(w) Parvest Obli-DM 'B'	DM	1,309.51
(w) Obligestion	SF	86.73
(w) Parvest Obli-Dollar 'A'	$	1,140.87
(w) Parvest Obli-Dollar 'B'	$	1,337.43
(w) Parvest Obli-Yen 'A'	Y	109775.00
(w) Parvest Obli-Yen 'B'	Y	115647.00
(w) Parvest Obli-Gulden 'A'	FL	972.90
(w) Parvest Obli-Gulden 'B'	FL	1,115.52
(w) Parsuisse	SF	1,457.42
(w) Parlapon	Y	3,431.00
PERMAL GROUP		
(m) Drakkar Growth	$	2157.73
(m) EuroMir (ECU) Ltd.	ECU	1,105.50
(m) Media Ltd.	$	770.31
(m) Nascal Ltd	$	1,505.29
(m) Special Opportunities Ltd	$	1,695.61
(m) Updyke Ltd	$	270.00
(m) Value N.V.	$	1,771.35
PIERSON,HELDRING & PIERSON N.V.		
Rokin 55, 1011zk, Amsterdam (20-5211188)		
(w) Asia Pac. Growth Fd N.V.	$	36.39
(w) Asian Selection Fd. N.V.	FL	46.66
(w) DP Amer. Growth Fd N.V.	$	26.00
(w) Eur. Growth Fund N.V.	FL	66.78
(w) Japan Diversified Fund	$	47.27
(w) Leveraged Cap Hold	$	336.47
(w) Tokyo Pac. Hold. N.V.	$	250.81
PIONEER GROUP		
(d) Pioneer Fund	$	22.47
(d) Pioneer II	$	18.21
PRISM ASSET MANAGEMENT		
(212) 573-0440 advisor to:		
(d) EFF	$	327.11
(d) PTJ	$	93.05
(d) RAINBOW	$	99.20
(d) CONQUEROR	$	88.63
PUTNAM		
(d) Emerging Hlth Sc. Trust	$	19.13
(w) Putnam Em. Info. Sc. Tr	$	14.35
(d) Putnam Glob. High Growth	$	13.29
(d) Putnam High Inc.GNMA Fd	$	9.23
(d) Putnam Int'l Fund	$	11.81
ROBECO GROUP		
POB 973, Rotterdam (10-4650711)		
(d) Robeco	FL	93.00
(d) Rolinco	FL	90.60
(d) Rorento	FL	59.60
(d) Rodamco	FL	75.60
ROTHSCHILD AST.MGT.		
(w) Tokyo Pac. Hold. (Sea)	$	183.02
ROYAL B. CANADA,POB 246,GUERNSEY		
+(w) RBC British Fund Ltd.	£	5.162
+(w) RBC Canadian Fund Ltd	C$	13.62
+(w) RBC European Fund	$	13.93
+(w) RBC Far East&Pacific Fd	$	45.71
+(w) RBC Int'l Capital Fd	$	59.93
+(w) RBC Int'l Bond Fund Ltd.	$	13.34
+(d) RBC Man.Currency Fd	$	41.11
+(w) RBC North Amer. Fd	$	14.80*
ROYAL TRUST ASSETMIX FUND		
Lux.Tel.:(352)489061		
EQUITY FUNDS		
(d) Alpha UK	£	1.20
(d) Alpha US$	$	1.39
(d) Alpha Worldwide	SF	4.39
(d) Alpha Japanese	Y	912.00
(d) Alpha Pacific Rim	$	1.33
(d) Alpha European	ECU	1.18
(d) Gold Share	$	1.17
BOND FUNDS		
(d) Sterling Pound	£	102.97
(d) US$ Bond	US$	104.80
(d) Deutschmark Bond	DM	48.41
(d) Alpha Worldwide	SF	48.16
RESERVE FUNDS		
(d) Sterling Reserve	£	12.478
(d) US$ Reserve	$	11.337
(d) Deutschmark Reserve	DM	11.009
SHEARSON LEHMAN HUTTON		
(d) Oporto Growth Fund	$	8.25
SKANDIFOND		
SKANDINAVISKA ENSKILDA BANKEN		
(w) Equity Intl Acc	$	13.22
(w) Equity Intl Inc	$	11.97
(w) Equity Global	$	1.29
(w) Equity Far East	$	1.98
(w) Equity Gold	$	0.89
(w) Equity Japan	Y	128.00
(d) Equity Nordic	$	1.58
(d) Equity U.K.	£	1.13
(d) Equity Continental Europe	$	1.43
(d) Equity Mediterranean	$	1.20
(d) Equity North America	$	1.25
(d) Bond DEM	DM	8.92
(w) Bond Intl Acc	$	8.75
(w) Bond Intl Inc	$	6.75
(d) Bond Sweden	SEK	10.42
(d) Bond Dollar	$	1.03
(w) High Income Acc	$	1.25
(w) High Income Inc	$	1.02
(w) Multicurrency	$	1.2755
SOCIETE GENERALE GROUP		
(w) Sogelux Fund (SF)		
(w) SF Bonds A U.S.A	$	12.18
(w) SF Bonds B Germany	DM	22.91
(w) SF Bonds C France	FF	89.91
(w) SF Bonds D Switz.	SF	20.00
(w) SF Bonds E G.B.	£	8.54
(w) SF Bonds F Japan	Y	1607.00
(w) SF Bonds G Europe	ECU	12.46
(w) SF Bonds H World Wide	$	12.73
(w) SF Bonds J Belgium	BF	591.00
(w) SF Eq. K North America	$	12.52
(w) SF Eq. L W. Europe	ECU	12.64
(w) SF Eq. M Pacific Basin	Y	1588.00
(w) SF Eq. N France	FF	70.00
(w) SF Eq P Growth Countries	$	13.55
(w) SF Equities Q Gold Mines	$	12.17
(w) SF Equities R World Wide	$	12.32
(w) SF Short Term S France	FF	122.12
(w) SF Short Term T Eur.	ECU	11.96
SODITIC ASSET MANAGEMENT INC.		
(w) SAM Diversified Inc.	$	106.66
SVENSKA HANDELSBANKEN S.A.		
146 bd de la Petrusse,L-2330 Luxembourg		
(w) Neptune Maritime Fund	$	9.73
(b) SHB Bond Fund	$	46.01
(w) Svenska Select.Fd Intl Sh.	$	51.12
(w) Svenska Select.Fd America Sh	$	12.23
(w) Svenska Select.Fd Pacif.Shares	$	4.27
(w) Svenska Select.Fd Germany	DM	9.85
(d) Svenska Sel.Fd Intl Bd.Sh	$	10.85
(w) Svenska Select.Fd Japan	Y	555.01
(d) Svenska Sel.Fd Nordic Shs	$	12.29
(d) Svenska Sel.Fd S/T Ass.Sh	$	10.55
SWISS BANK CORP. (ISSUE PRICES)		
(d) AmericaValor	$	290.13
(d) AngloValor	£	175.55
(d) Asia Portfolio	SF	535.63
(d) Convert Bond Selection	SF	90.72
(d) Dollar Bond Selection	$	134.56
(d) D-Mark Bond Selection	DM	107.19
(d) Ecu Bond Selection	ECU	97.70
(d) Florin Bond Selection	FL	111.62
(d) FranceValor	FF	1625.22
(d) GermaniaValor	DM	515.29
(d) Gold Portfolio	SF	407.70
(d) ItalValor	Lit	446963.00
(d) Japan Portfolio	Y	31938.00
(d) SBC Ecu MMF.	ECU	2,743.87
(d) SBC £ MMF.	£	2,048.39
(d) SBC Yen MMF.	Y	505,598.00
(d) SBC US$ MMF	$	6,165.15
(d) SBC 100 Index Fund	SF	1,074.80
(d) SBC Sfr Bond A/B	SF	1,042.53
(d) Sterling Bond Selection	£	103.65
(d) Sw. Foreign Bond Selec.	SF	100.53
(d) Swissvalor	SF	352.75
(d) Universal Bond Select.	SF	71.50
(d) UniversalFund	SF	104.69
(d) Yen Bond Selection	Y	11061.00
TEMPLETON W.WIDE INVESTMENTS		
(d) GROWTH PORTFOLIO		
(d) Class A-1	$	9.90
(d) Class A-2	$	10.20
(d) Class A-3	$	10.03
(d) Class B-1	$	9.81
(d) Class B-2	$	10.11
(d) INCOME PORTFOLIO		
(d) Class A	$	10.73
(d) Class B	$	10.67
TERMINVEST Tel: 48.78.92.89		
(m) Dual Fut. Fd., cl. D Units	$	103.07
(m) Galaxy Futures Fd., Ltd.	$	115.10
THORNTON MANAGEMENT LTD.		
(d) Thornton Int opps.fund	$	1.94
(d) Pacific Invt. Fd. S.A.	£	9.53
(d) Pac.Invt. Fd. SA	DM	28.29
(d) Pac.Invt. Wrnts Fd.S.A.	DM	13.45
(d) Pac.Invt. Warrants Fd.S.A.	£	4.53
(d) Thornton Kangaroo Fd Ltd.	$	9.60
(d) Thornton HK & China	$	13.26
(d) Thornton Japan Fund Ltd	$	31.52
(d) Thornton Orient.Inc. Fd Ltd	$	23.73
(w) Thornton Phil. Redev. Fd	$	34.02
(d) Thornton Tiger Fund Ltd	$	31.31
(d) Thor.Litl. Dragons Fd Ltd	$	24.25
(d) Thor.Golden Opport.Fd	$	5.56
(d) Eastern Crusader Fund.	$	9.69
(w) The Global Access Fund.	$	9.6
NEW TIGER SEL. FUND		
(d) Thailand	$	10.78
(d) Malaysia	$	9.55
(d) Indonesia	$	9.71
T. Rowe Price Associates Inc.		
(m)T. Rowe Price Frontier Ltd.	$	10.83
TYNDALL INT'L GUERNSEY LTD		
Tel.0481 27963		
(d) Amer Spec Sits	$	44.19
(d) Eurobond	$	29.37
(d) Mortgage	C$	14.38
(d) Overseas	$	27.63
(d) Tiger	$	43.65
(d) High Yield Bond	£	63.00
(d) Marunouchi	£	83.60
(d) Far Eastern	£	513.08
(d) Gilt	£	507.10
(d) Mgd Currency-Dollar	$	1.475
(d) Mgd Currency-Stlg	£	120.00
(d) 1992	£	268.90
(d) Wall Street	£	215.30
(d) HI Inc Gilt & Bulldog	£	96.30
UEBERSEEBANK. ZURICH		
(d) B-FUND	SF	927.05
(d) M-FUND	SF	1007.47
(d) E-FUND	SF	535.01
(d) J-FUND	SF	329.46
(d) M-Distribution	SF	95.82
(d) UBZ Euro-Income Fund.	SF	9.30
UNION BANK OF SWITZERLAND		
(d) Amca American Shrs	SF	35.25
(d) Bond-Invest	SF	56.00
(d) Brit-Invest Shares	SF	751.00
(d) D-Mark-Invest Bds	DM	191.00
(d) Dollar-Invest Bds	$	106.24
(d) ESPAC Spanish sh	SF	187.00
(d) Eurit	SF	331.50
(d) Fonsa Swiss Sh.	SF	203.50
(d) Francit Shares.	SF	197.00
(d) Germac Shares.	SF	244.00
(d) Globinvest Shares.	SF	96.00
(d) Gold Invest Shares.	SF	232.50
(d) Holland-Invest Sh.	SF	218.00
(d) Itac Shares	SF	210.50
(d) Japan-Invest Sh.	SF	1112.50
(d) Sima (stock price)	SF	229.50
(d) Skandinavien-Invest	SF	272.00
(d) UBS Money Mkt Inv.	$	1063.02
(d) Yen-Invest Bonds.	Y	79,581.00
UNION INVESTMENT Frankfurt		
(d) Unirenta	DM	36.40
(d) Unifonds	DM	37.40
(d) Unirak	DM	78.80
(d) Unizins	DM	107.60
THE UNIVERSAL GROUP OF FUNDS		
(d) Univers Sav Amer	C$	9.45
(d) Univers Sav Equity	C$	11.05
(d) Univers Sav Global	C$	5.31
(d) Univers Sav Pacific	C$	8.71
(d) Univers Sav Nat. Res	C$	5.99
Other Funds		
(r) Acticroissance	$	523.15
(d) Actifinance Intl	$	1108.18
(w) Actigestion	FF	1270.02
(w) Activest Intl	$	23.09
(d) Amvabel	FL	66.80
(w) Aquila International Fund	$	303.80
(b) Ariane	$	3,920.04
(d) Asia Oceania Fund	$	9.28
(m) Associated Investors Inc.	$	780.80
(m) Atlantic Fund	$	85.02
(d) Atlas Fund	SF	96.48
(r) Australia Fund	$	17.06
(m) BB Futures Ltd.	$	1090.56
(w) BDD Inv Fund-Ecu Bd	ECU	5,229.71
(w) BEM International	$	5.07
(w) Bergen Int'l Fund.	$	11.47
(d) Bever Beleggingen++	$	25.50
(w) Bondselex-Issue Pr.	SF	102.35
(d) Bristol	$	940.00
(m) Cal Futures 1990 Fd. Ltd	$	25.43
(m) J Capel guaranteed Fund.	$	10.08
(w) CMI Investment Fund	$	1,385.07
(d) Cash Gestion	FF	10008.08
(d) CB German Index Fund	DM	129.60
(m) Cleveland Offshore Fd.	$	29.29
(w) Columbia Securities.	FL	103.45
(m) Commod. Gtd. Fund/USA.	$	3.81
(w) Convert. Fd. Int'l A Certs	$	16.80
(w) Convert. Fd. Int'l B Certs	$	56.54
(w) Cumber Intl N.V.	$	241.80
(w) Daiwa Japan Fund	Y	8,482.00
(w) D.G.C.	$	207.11
(d) D-mark-Baer Bond Fd.	DM	984.00
(d) Dollar-Baer Bond Fd	$	1146.00
(d) D. Witter Wld Wide Ivt Tst.	$	25.24
(d) Dreyfus America Fund	$	17.30
(d) Dreyfus Fund Int'l.	$	63.07
(w) Dreyfus Intercontinent	$	11.36
(w) Dumelux Amerique	$	1002.06
(w) Dumelux Asie Pacifique	$	1002.06
(w) Dumelux Bonds Plus	$	1077.93
(w) Dumelux Europe	ECU	1004.13
(w) Dumelux France	FF	6026.84
(w) Dumelux Opportunit	$	1002.06
(m) Dumenil Arbitrage Fd NV	$	848.24
(d) Emi Germ. Ind Plus(A)	DM	96.33
(d) Emi Germ. Ind Plus(B)	DM	96.33
(d) Emi France Ind Plus(A)	FF	855.32
(d) Emi France Ind Plus(B)	FF	855.32
(d) Emi Uk Index Plus (A)	£	93.30
(d) Emi Uk Index Plus (B)	£	93.30
(d) Emi Belg. Index Plus(A)	BF	9,124.00
(d) Emi Belg. Index Plus(B)	BF	9,124.00
(d) Equicurrency (DOM).	ECU	1.24
(w) Esprit Sicav	ECU	1254.47
(w) Espir. Sto Inv M Sth Eur Fd	$	12.12
(d) EURASUD	FF	1,060.46
(d) Europe Obligations	ECU	74.25
(d) Europe 1992	$	11.18
(m) Fatum Fund	$	1052.69
(w) Fairfield Int'l Ltd.	$	143.40
(w) Fairfield Strat. Ltd.	$	58.30
(w) First Eagle Fund	$	37951.42
(m) First Frontier Funds	$	86.84
(w) F.I.T. Fund II	FF	113.89
(d) Fonditalia	$	84.50
(w) FL Trust Switzerland	SF	92.48
(w) Fonselex Issue Pr.	SF	170.15
(d) Force Cash Frf Sicav	$	15,142.45
(d) Force Cash AM Sicav	DM	5,042.46
(d) Force Cash US $ Sicav	$	3,019.25
(d) Force Cash Ecu Sicav.	ECU	2,526.45
(d) Forexfund Limited	$	9.26
(w) Formula Selection Fd.	SF	69.05
(d) Frankf-Trust Eff. Fd	DM	170.51
(d) Frankf-Trust Interzins.	DM	39.90
(m) Gems Progressive Fd Ltd.	$	991.51
(w) George V INV. BOND F.	$	22.81
(m) German Sel. Associates	DM	2231.62
(d) Green Line France	FF	666.26
(d) Guardian	$	940.00
(w) Haussmann Hldgs. N.V.	$	318.04
(w) Hestia Funds	$	145.59
(w) Horizon Fund	$	1829.48
(w) Ibex Holdings Ltd.	SF	167.28
(w) IFDC Japan Fund	Y	36,114.00
(r) ILA-IGB	$	7.27
(r) ILA-IGS	$	8.98
(m) IncAmerica N.V.	$	14.91
(m) IncAsia N.V.	$	10.04
(w) Inpremet	$	9.56
(w) Interecu Fund 'A'	ECU	1043.72
(w) Interecu Fund 'B'	ECU	249.45
(m) Interface Fund Ltd.	$	149.83
(d) Interfund SA	$	47.50
(w) Intermarket Fund	$	426.86
(r) Int'l Securities Fund	$	29.18
(w) Intersec SA	$	4149.03
(d) Investa DWS	DM	77.04
(d) Investmentor Fund	$	104.70
(m) Japan Selection Assets.	Y	11,955.00
(w) Japan Pacific Fund	$	235.52
(w) Japan Rep.Growth F.	Y	1015349.43
(w) Japan Selection Fund	$	241.58
(d) JJ Placement	FF	11,900.71
(d) Kenmar L/C	$	9.89
(d) Kenmar Guarantee	$	9.91
(w) Kenmar Intl - B	$	10,595.00
(m) Key Hedge Fund Inc.	$	105.71
(w) Kleinwort Bens. Jap. Fd.	$	221.98
(w) KML-II H.Yield 13/07/90	$	654.42
(w) Korea Growth Trust	$	31.34
(w) LACO International	$	6.75
(w) Leumi Val.Francaises.	FF	1048.23
(w) Liberty Offshore Fund	$	113.74
(d) Liquibaer	$	1903.00
(m) London Portfolio G'td. I.	$	88.07
(m) London Portfolio G'td. II.	$	8.61
(w) Luxfund	$	115.93
(m) Lynx Sel.Holdings	SF	138.40
(m) Maritime Fund Intnl Ltd	$	
(w) MBE Japan Fund	LF	1,872.00
(m) MCM Int. Limited	$	141.48
(w) Moore Global Invts. Ltd.	$	1,418.84
(w) ML.Morgens Lv H.Y.Inv.NV	$	9.95
(d) Mediolanum Sel. Fd.	$	45.39
(d) NCA FUND	$	11.80
(w) Nippon Fund	$	109.00
(m) NMT Asian Sel. Portfolio	$	218.42
(w) NMT Citadel Bond	SF	109.80
(m) NMT Nostec Portfolio s/s.	$	121.62
(d) NM Inc. & Growth Fund	$	16.46
(d) Nomura-Cap Int Eq Fd	$	14.07
(d) Nordmix	Lit	11,219.00
(m) Nova Plus Fund I Ltd.	$	1000.00
(w) Noveurope	ECU	2,998.52
(m) NSP F.I.T.	$	280.61
(m) Oppenheimer U.S.Arb.	$	124.38
(w) Optimum Fund	$	1,212.59
(m) Overlook Performance	$	1259.48
(d) Pacific Nies Fund	$	8565
(d) PAM Futures Trad.	$	466.80
(w) Pancurri Inc.	$	157.65
(m) Paragon Fund Limited	$	9.64
(w) Prosp. I.H.Inc.P.F 06/07/90	$	5.65
(w) Puget-Mahe Barclays Pac.	$	181.49
(w) Quantum Fund N.V.	$	15,148.09
(w) Rep.(Guernsey) Dol.Inc.fd	$	9.69
(d) SAGA Ameriques	FF	765.25
(d) SAGA Court Terme	FF	1,154.23
(d) SAGA France Sicav	FF	463.75
(d) SAGA Long T.Capital.	FF	1,047.26
(d) SAGA Opportunites	FF	792.82
(d) SAGA Premiere	FF	1,134.26
(w) Samurai Portfolio	SF	247.30
(d) Sanyo Kle.Spain Fd	$	11.43
(d) Sarakreek Holding n.v.+++	$	26.00
(m) Scimitar Guaranteed	$	8.17
(m) Scimitar Guar.Cur.Fd.	$	10.00
(d) SCI/Tech.SA Luxembourg	$	21.09
(w) SP International S.A.	$	5423.27
(m) SLH Guar. F.F.I.	$	935.37
(d) Strat Int'l Gold Fund S.A.	$	6.99
(m) Sussex Silverman	$	1096.00
(w) Techno Growth Fund	SF	59.23
(d) Templeton Glob Inc.	$	9.49
(d) The Petrus Fund Ltd.	$	1.13
(m) TIIC(O.T.C)Jap.fd Sicav	$	18.97
(w) Transpacific Fund	Y	34,547.00
(d) Triton Offshore Class A	$	874.06
(d) Triton Offshore Class B	$	821.97
(d) Tudor B.VI Futures,LTD	$	6,013.99
(d) Turquoise Fund	$	225.71
(w) Tweedy,Browne n.v.Cl.A	$	3,365.96
(w) Tweedy,Browne n.v.Cl.B	$	1,645.36
(m) Tweedy,Browne (U.K.) n.v.	$	1332.93
(d) Unico Inv.Fund	DM	71.88
(d) Unico Equity.Fund	DM	61.24
(d) Uni Bond Fund	ECU	1567.70
(r) Uni Capital Fund	$	1583.21
(m) Unitrad FF	FF	10,654.63
(m) Unitrad SF	SF	1,055.75
(m) Unitrad $US	$	1,042.60
(d) Univers Bonds	DM	133.85
(w) Vanderbilt Assets	$	15.11
(m) Victor Futures Fund	$	185.00
(d) Victoria Holdings Limited	$	100.00
(w) Willerbond Capital	$	14.92
(d) World Fund S.A.	$	11.78
(d) World Balanced Fund S.A.	$	12.17
(w) Worldwide Securities	$	37.56
(w) Worldwide Special	$	883.61
(m) Zweig Int'l Ltd	$ S/S	10,014.00

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STAGE/ENTERTAINMENT

'King Ralph': From a Las Vegas Bar to Buckingham Palace

By Suzanne Cassidy
New York Times Service

IVER, England — On a stage at Pinewood Studios, surrounded by the gilded trappings of British privilege and power, the American actor John Goodman plays a common man — actually a piano player from Las Vegas — who becomes the king of England.

Wearing a gray double-breasted suit that might have been tailored on London's Savile Row, Goodman, the monarch in Universal's romantic comedy film "King Ralph I," stands before a brass podium in what is meant to be Britain's upper parliamentary chamber, the House of Lords.

The chamber is banked with red leather-cushioned benches and hung with brass chandeliers. Heraldic seals decorate its periphery and tiny crowns are on the peaks of its wooden partitions and swinging doors. Behind Goodman is an ornate gilt canopy and a throne that bears King Ralph's heraldic emblem, which is dominated by the image of a keyboard, an allusion to his ignoble past.

An assistant director calls for quiet on the set and Goodman begins: "My lords and members of the House of Commons. I have some things to say." Numerous takes later, King Ralph still has some things to say; the speech he has to deliver is lengthy and Goodman, in a fit of frustration, barks to the director, David S. Ward: "You should have gotten an actor for this part." Unruffled, Ward merely asks for the cameras to roll again and eventually King Ralph's speech is completed.

The story of King Ralph I begins at a hot-dog stand in Las Vegas, where Ralph Jones (actually he's not a very good piano player), learns that by a fluke of heredity and circumstance he is to ascend to the British throne. The entire British royal family, it seems, has met with a shocking accident. "It's not the real Windsor family," explains Ward, who also wrote the film. "It would have been a bit of a grisly note to have the actual Windsors killed off in the first five minutes of the film, with their children and all. That is not funny."

Ward is very concerned that "King Ralph I" be funny, not merely in a straightforward, performance-oriented American way, but also in a wry, verbal British way. The opportunity to contrast British and American comedy was what most appealed to him about making the film.

Ward's first screenplay, which he wrote while still a graduate student, was "Steelyard Blues" (1973), which starred Jane Fonda and Donald Sutherland. In 1975 his screenplay for "The Sting" won an Oscar. Later he adapted John Steinbeck's novel for "Cannery Row" (starring Debra Winger and Nick Nolte and narrated by John Huston), which was also Ward's first film as a director. In 1988 he adapted John Nichols's book for Robert Redford's "Milagro Beanfield War," and last year he wrote and directed "Major League," starring Tom Berenger and Charlie Sheen.

Frank Connor/Universal City Studios

John Goodman as the misplaced monarch.

His desire to write "British humor," which he described as "drawing-room comedy, dry, sardonic wit, repartee and understated sarcasm," comes, he said, from years of watching the works of Noël Coward and Alan Bennett, the sophisticated and satirical comedies made at the Ealing Studios in West London during the late '40s and early '50s, and the contemporary British television shows, "Yes, Minister" and "Blackadder."

For Ward, the character Willingham, Ralph's consummately British private secretary played by Peter O'Toole, makes the perfect vehicle for the British humor he wanted to contrast with Ralph's "very American" humor. "I loved the idea of the clash of cultures," Ward said. "Willingham's and Ralph's relationship is one of extreme contrasts. Willingham is dignified, proper, well-educated, extremely articulate and possessed of all of the social graces. Ralph is a bit crude, not highly educated and certainly used to a different class of people than Willingham."

To insure that the humor of their contrasting outlooks was conveyed, Ward said he was careful to keep away from farce. "We're trying to play the comedy as realistically as possible," he said. "Obviously this isn't stark realism, but it's realistic in the sense that the comedy is informed by reality." Ralph, said Ward, faces real situations monarchs would face, but comedy doesn't let him realistically cope with those situations.

Based on an idea from a novel by the British actor and playwright Emlyn Williams in which a British actor succeeds to the throne, "King Ralph I" has, said Ward, "two threads that intertwine: Ralph's trying to cope with a set of responsibilities for which he's totally unsuited and his love affair with a commoner," an affair that alarms the palace staff and delights the British tabloid press.

The "commoner" is a cockney played by Camille Coduri, the English actress. English actor John Hurt plays Lord Graves, a nasty aristocrat who tries to plot King Ralph's downfall.

The director said that Goodman, by virtue of his role as Dan in the television series "Roseanne," possibly the first man of blue-collar America, was the "great everyman" the role demanded. "He's not sophisticated, but he's not crass. He can play a man who's not educated without making him look stupid."

Goodman, whose active screen career has recently included roles in "Arachnophobia," "Always" and "Sea of Love," said he did little, on purpose, to prepare himself to play Ralph I. "I was trying to keep a sense of constant surprise," he said. His comments reflected the ambivalence and frustration of a king who discovers that the privileges of royalty exact a high personal price.

"I've done a little Shakespeare in my time and I knew what those kings were about," Goodman said, "but now I'm not so sure. There's a certain impotence in being a figurehead. Ralph thinks it's great at first, but after a while, it slowly stifles him. It's like being trapped in a belljar."

Much of the film was set in stately homes and buildings. Somerset House, the new home of the Courtauld Institute Galleries, was used for side entrances to the palace. Rooms inside Lancaster House near Pall Mall served as the anterooms for King Ralph's ballroom and a massive marble staircase served as the palace's main staircase. The Waterloo Gallery at Apsley House, the home of the Duke of Wellington, served as the Buckingham Palace portrait gallery.

For exterior shots, cast and crew members traveled to Harewood House in Yorkshire, which was built in 1759. Willingham's office was filmed in the library of Hagley Hall in Worcestershire. Buckingham Palace's white drawing room was recreated at Belvoir Castle in Leicestershire. Syon House, founded in 1415 by Henry V and the seat of the Duke of Northumberland, was used as the setting for a royal reception. And the interiors of King Ralph's Windsor Castle apartments were filmed at Hever Castle in Kent, a 13th-century moated castle and the home of Anne Boleyn when she was courted by Henry VIII.

Those locations would more likely be found in a period drama than a contemporary comedy, Ward said, but they were necessary to steep the film in the sort of richness one associates with royalty. "When people think of royalty, they think that everything is fairly glitzy, so we had to make it that way," added the production designer, Simon Holland, sitting in his workshop before a table covered with miniature resin busts of Goodman, which were being fashioned into King Ralph souvenir dolls for the film. "One aims for a sort of grandeur and elegance. It's a fairy tale, so because of that you exaggerate."

For that reason, Holland said, the film, which cost an estimated $20 million, is filled with lavishly appointed sets. (In most cases, the "King Ralph I" crew brought the film's own furniture to the stately homes and buildings.) When it became apparent that a highly ornamented banquet hall of the sort Holland envisioned no longer existed, he built one at Pinewood. He also built the House of Lords chamber and a ballroom, replete with "marble" columns and genuine crystal chandeliers.

Extras helped to add to the pomp and pageantry: 200 were called in for the scene in which King Ralph delivers his speech to the House of Lords; 400 were used in a parade in London's Hyde Park.

Will the British like the film? "The fact that the Royal Family is killed off in the first five minutes might be difficult for some people to handle," said Ward, with a laugh. "But if they stick with it, they'll be pleased. Well, 'pleased' might be too strong a word."

Frank Connor/Universal City Studios

King Ralph tries "to cope with a set of responsibilities for which he's totally unsuited."

LONDON THEATER

Jacobi's Star Turn as Kean

By Sheridan Morley
International Herald Tribune

LONDON — "Kean," currently at the Old Vic in a wonderfully old-style theatrical production by Sam Mendes, dominated by Derek Jacobi's star turn in the title role, has a curious heritage: Originally written by Alexandre Dumas père as a romantic stage biography in 1836, three years after the great actor's death, it was drastically revised in 1953 by Jean-Paul Sartre as a vehicle for Pierre Brasseur.

At first, it is hard to imagine what could have attracted Sartre, then at the height of his chilly existentialism, to the lush theatricality of Dumas. But looking closer, one realizes that Kean's dilemma is that of almost all Sartre's own stage creations — the shaky division between semblance and reality.

For Kean himself, there is only the reality of the stage: Any attempt to achieve a private existence is doomed to failure, disbelief and farcical chaos. This, in the end, is what Kean is about, and it is a considerable tribute to the Mendes-Jacobi partnership and Frank Hauser's translation that interest is sustained over nearly three hours in the problem of the confusion between stage and street reality.

Essentially "Kean" is a conjuring trick within a conjuring trick, and Mendes has been wise to frame it within conjurors and acrobats and harlequins and all the paraphernalia of the penny-plain tuppence-colored theaters of its 19th-century origins. The play sets out to show an actor doomed to exist only when house lights are dimmed, and whose public success only underlines his private inability to relate to anyone but his own theatrical self.

Yet we learn all this within the context of a play, where theatricality is only to be expected. The trick is, then, for the attention of other conjurors. At its best ("true feelings are simply bad acting"), the play resembles nothing so much as an unholy alliance of Wilde, Coward and Pirandello, and the concept here is of a lavish, elegant entertainment filled with ladies and gentlemen of noble birth, not least the Prince of Wales, until, to Kean's fury, the constant stream of visitors to his dressing room becomes even more starry and theatrical than the actor himself.

The compromise of the last scene is inevitably and purposefully an anticlimax after the glorious histrionics of the "Othello" interruptus preceding it, a glorious crashing of actor and audience during which the strangling of Desdemona becomes altogether secondary to what is going on in the royal box. Here reality is made to seem more theatrical than the theater, and Kean's attempt to "feel his own weight on the world" turns into a savage indictment of the public's attitude to its own actors, one which, though treated lightly enough, gives Kean an edge lacking in most other backstage dramas.

As for Jacobi, his is by far the most enjoyable bravura turn of this London summer, albeit hotly followed by Richard Harris's not altogether dissimilar Henry IV at Wyndham's. The real achievement here has been to overcome almost all memories of the late Alan Badel, whose 1971 Kean I never thought to see so triumphantly matched.

On the National Theatre's Cottesloe stage, one of the most impressive casts ever assembled there (Penelope Wilton, Oliver Cotton, Geoffrey Palmer, Stephen Moore, Stephen Rea, Julia Ford, Basil Henson and Philip Voss) have come together for Trevor Griffiths' new "Piano," a curious meditation on themes by Chekhov, derived both from his "Platonov" (more recently familiar as Michael Frayn's "Wild Honey") and Mikhalkov's Soviet movie "Unfinished Piece for Mechanical Piano," which was also Chekhovian to a considerable degree. So we have here a play based upon a film, based upon a play and some short stories, and its characters come on stage to greet us like old friends.

Gary Smith

Derek Jacobi in "Kean."

Apart from Platonov, there are the failed doctor from "Uncle Vanya," the revolutionary peasants and languid estate-owners from "The Cherry Orchard," and the young people hoping for a better future elsewhere from "The Three Sisters."

Quite what Griffiths wants us to make of this Chekhovian assembly, once he has brought them all together at the ritual doom-laden dinner party, is unclear. Somewhere between a pastiche and a tribute, "Piano" sets out all the usual themes of Russia in turn-of-the-century social and political turmoil, caught between an untenable rustic-aristocrat past and an unknown but probably nastier revolutionary-industrial future, but then seems uncertain what to add to them except an angry social conscience and a certain discernible drift toward Gorky at the last.

So we are left with 15 characters in search of an author, or at least any one author. But so marvelously are they all played in Howard Davies's eloquent, elegant production, that we should perhaps just be grateful for what amounts to no more than an extended Chekhovian curtain-call, with favorite characters reprising their quintessential moments of personal trauma.

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The Sounds of Summer

By Mike Zwerin
International Herald Tribune

BETWEEN Earphones: Warning! Music must be listened to. Do not wash the dishes or discuss Eastern Europe listening to it, do not even discuss the music. Do not feel guilty when called a layabout for lying about not doing anything. Listening to music is *doing* something. This is a hot summer, say you're not listening to music you're keeping cool. Keeping cool is — cool.

STAN GETZ, "Anniversary" (Emarcy): Although most musicians consider Getz to be an all-time all-star, critics and the public tend to take him for granted. He's "too white" for one thing, and too popular to be for real. On the other hand, his sound is so beautiful and has been omnipresent for so long, his content tends to be overlooked. It's too easy to relate to Getz as hip Muzak. He's the perfect example of success breeding, if not contempt, familiarity.

No other jazz player is so much the product of his influence (Lester Young) and yet his own man. His signature cannot be forged. Getz has an impressive memory and sense of form, returning to previously improvised elements to tie up the pieces.

We almost lost him, there were several cancer operations, rumors were flying. But he is nothing if not tough, he has come back from near-death with colors flying.

This post-operative release reveals a Getz reborn with less syrup and more substance and generosity. "Anniversary" is a muscular, sensitive collection of standards kicked along by one of Getz's patented in-the-slot rhythm sections — Kenny Barron, piano, Rufus Reid, bass, and Victor Lewis, drums.

JON HASSELL, "City: Works of Fiction" (Opal): By applying synthesizer technology to his trumpet, with which, overdubbed twice with his warm, Miles-esque sound, Hassell has bridged the gap between human breath and electronics.

The avant-garde has been influenced by folk elements before (Bartók), but rarely have the definitions been so wide, and bridged with such simultaneity. You hear the African griot along with the rapper, for example. This 55-year-old graduate of the Eastman School of Music has tied what he refers to as "fourth world" folk materials from Africa, India and Asia with James Brown, Talking Heads and Public Enemy by way of his own *musique contemporain* experience with Stockhausen and La Monte Young.

Neither the parts nor their sum are immediately apparent. This album takes work. It is also hard to ignore. Hassell wraps us in his own urbanity, what we might wish ours to be. He brings the mountaintop to the city.

THE DIRTY DOZEN BRASS BAND, "The New Orleans Album" (CBS): As Joe McCewin writes in the album's liner notes: "The Dirty Dozen Brass Band have spent over a decade spreading the gospel, transposing Kid Ory, Louis Armstrong and legions of local blues, R&B and bop stylists into a joyous romp through hometown history."

They are neither 12 musicians nor, strictly speaking, a brass band — though they can get down and dirty. These eight avant-garde traditionalists from the Crescent City have added touches of Louis Jordan, Bo Diddley, Fats Domino and Sun Ra to the original parade that took place, come to think of it, just about a century ago.

Elvis Costello sings Dave Bartholomew's "That's How You Got Killed Before." These young horn-blowers' contemporary view of the past from today's vantage point proves the music's staying power. Funny, jazz's staying power always seems to require proof. Although they furnish it, it's not their problem. The music remains. All of it.

BRANFORD MARSALIS, "Crazy People Music" (CBS): If this record is playing and you're not listening you'll probably turn it off. The texture appears angry on the surface until you absorb the content, which is affluent. It takes some investment, but unlike Getz, whose sound alone goes far, there's only one level here. Concentration. It is even difficult to write about while listening to.

It has been said (I do not agree) that the saxophone-playing Marsalis brother is "too busy," enthralling himself with too many notes, carried away by his own intelligence and facility. It must be admitted, his notes are impressive. His stylistic range is just about limitless, in any given measure he can sound like another precursor.

Much of his stuff is humor, welcome in what is otherwise an often humorless form. Something "weird" turns out to be hilarious. His vibrato comes and goes, empty spaces are clogged without warning. To take in all of this nuance, it helps to have read Branford's latest interview in the press.

As jazz giant Sonny Rollins recently said: "I've played in competitive situations with some of the giants, and Branford may be the next giant."

CHET BAKER, "The Italian Sessions" (Bluebird): An unusually aggressive Baker, from 1962, on top of Belgians Bobby Jaspar (tenor sax), René Thomas (guitar), Benoit Quersin (bass) and the Swiss drummer Daniel Humair (excellent remastering). Here, Baker doesn't sing. Whoever said Belgians and Swiss can't swing?

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Solution to Previous Puzzle

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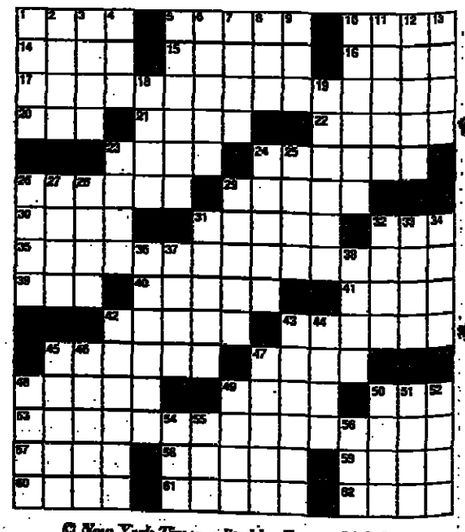

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Local Development and Industrial Globalization

India — the world's seventh largest, second most populous nation — has much to celebrate as it enters its 44th year since Independence.

Those who knew India at the close of the British Raj in 1947 would recognize some rural villages whose rhythms of life remain virtually unchanged, but they might not recognize the transformation of urban areas or the massive industrial complexes that now dot the countryside. Factory towers have been erected in rice fields to anchor a new phase of economic development.

Now, initiatives by a new government under Prime Minister Vishwanath Pratap Singh are transform-

Some public-sector activities are being privatized

ing India even more, opening a new chapter in the nation's development.

The new policies reflect a shift in thinking toward a market-driven economy. Government regulations, quotas and other restrictions are being abolished to promote rapid business expansion. A broadened economy and boosted exports are expected to provide foreign revenue to improve the quality of life for all the country's citizens — a middle class of 150 million and 650 million people living at subsistence level.

"By the end of the century, we want to have abolished poverty, reduced the population growth rate to below 2 percent, provided universal education for all children of school age, increased nutrition, through free school lunches if possible, and provided minimum needs like potable water and basic health care," says Mr. B.G. Deshmukh, principal secretary of the Prime Minister's Office.

India's eighth five-year plan for 1990-1995 (called the Eighth Plan) addresses both the farming sector and the affluent urban sector. It proposes to deregulate the economy to permit the growth of industry and exports, as well as channel money to the farm areas where 75 percent of the population lives.

The new economic directions are dictated, in part, by a desire to balance India's accounts with the world and to gain additional revenue for development programs that cannot be financed under the present budget. "We have a high budget deficit and a growing current accounts deficit," says Dr. Jayanta Roy, economic adviser of the Ministry of Commerce. "Our current account is now 3-3.3 percent of GNP despite remarkable performance on exports. We want to reduce this to a manageable level."

Mr. D.R. Pendse, economic advisor to Tata Industries, India's largest corporation, says: "The largest single weakness of the Indian economy is the fiscal imbalances. We are borrowing not for investment but for daily expenses. One of the strengths of the economy is that we have maintained foreign borrowing to modest levels, yet nearly 75 percent of the total government budget goes to service debt on domestic borrowings, subsidies, defense and administration."

The current Middle East crisis is putting even more pressure on India's budget since Iraq has been supplying 40 percent of India's crude oil imports. Now, according to M.S. Gurupadaswamy, petroleum minister, India is in a state of "total uncertainty" about its future oil imports as it searches for new suppliers in order to honor the United Nations' recent embargo against Iraq and Kuwait.

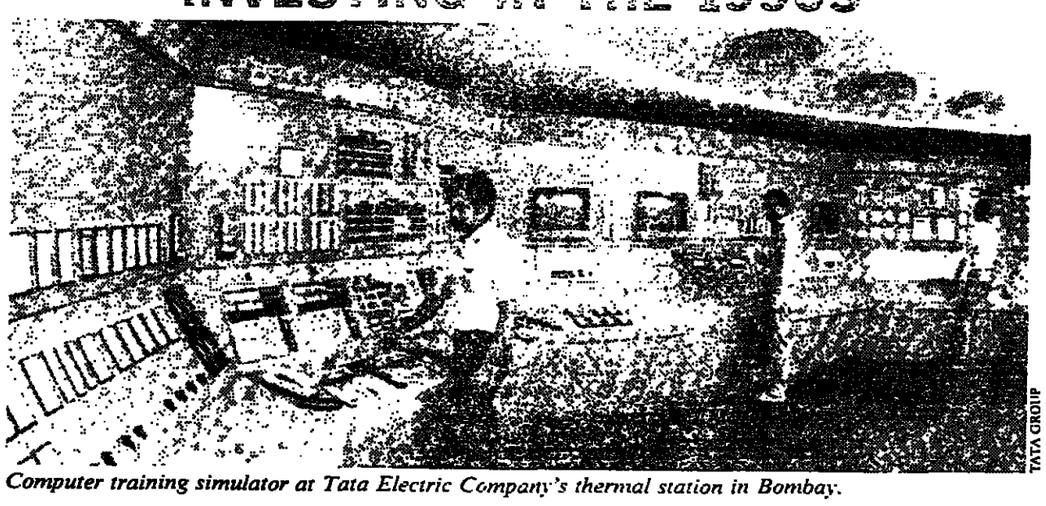
Recognizing even before the current crisis that it must boost revenues, the government has focused on supporting private industry, primarily through removing bureaucratic barriers against business expansion. The watchword today is liberalization, or, as some officials prefer to call it, deregulation. Corporate tax has been reduced from 50 to 40 percent and the personal tax rate cut from 90 to 50 percent. Licensing has been simplified and the Monopoly Act ceiling on corporate growth has been quintupled from 200 million rupees to one billion rupees (US$11.5 million to $57.5 million). The emphasis is now on export growth rather than import curtailment, on lowering the budget deficit, paring losing public-sector companies, and reducing subsidies of public services.

The key goals of the new industrial policy issued on May 31, 1990 are employment generation, dispersal

Continued on Page 10

INDIA

INVESTING IN THE 1990S



TATA GROUP

Computer training simulator at Tata Electric Company's thermal station in Bombay.

New Policy Favors Investment

India's investment climate is now more clement than it has been for decades.

As economic policy shifts to favor exports, the Indian government is seeking to link foreign businesses with Indian entrepreneurs in an effort to obtain new technology and boost the country's foreign-currency revenues. Foreign investment rather than foreign loans will be sought.

In 1989, projects totaling $250 million were approved, a figure the

Bureaucracy is being streamlined to aid investors

government has deemed inadequate. Recognizing that much of foreign reluctance stems from the welter of paperwork required to establish a business in India, the government is overhauling its bureaucratic machinery and liberalizing its regulations.

India's new industrial policy allows foreign ownership in three types of companies:

- 100 percent foreign equity if all output is exported.

"We would like to see a substantial step-up in foreign investment," says M.S. Ahluwalia, special secretary to the prime minister.

- 74 percent foreign equity for high-tech goods and projects involving technology transfer.
- Up to 40 percent of equity as long as the value of the imported capital goods does not exceed 30 percent of the plant and machinery expenditure.

Other provisions remove constraints on currency remittances and simplify foreign-technology import procedures. Businesses can now sign collaboration agreements without prior government approval, provided that royalty payments do not exceed 5 percent on domestic sales and 8 percent on exports.

To facilitate production, the government operates six Export Processing Zones (EPZ) in Noida, near Delhi (the oldest and largest), Falta in West Bengal, Santa Cruz near Bombay, Madras, Cochin, and Kandla in Gujarat. A seventh is planned for Visakhapatnam in Andhra Pradesh.

The EPZs provide infrastructure, utilities, factory buildings, customs and excise bonding services. For a company to qualify for admission, minimum value addition to raw materials must be 30 percent. Capital goods can be imported duty-free, and the government now permits even 100 percent export-oriented companies to sell, in some instances, 15 to 25 percent of their manufactured goods in the local market.

"There are many advantages to investing in India," says Dr. Jayanta Roy, economic advisor to the Ministry of Commerce. "We have a large industrial base, highly educated manpower, low wages, a good communications system, large inputs of capital goods, and — perhaps most important — we are politically stable."

The potential foreign investor's

Continued on Page 11

SAMIR MISRA

India's Prime Minister Vishwanath Pratap Singh.

Challenges

Prime Minister V.P. Singh discusses challenges India is facing as it celebrates National Day today.

India is now facing the need for the eradication of poverty in certain pockets of the country and certain strata of our rural society; growing unemployment, particularly of those with some education; a need to restore macroeconomic balance and put the economy on the path of sustainable rapid growth; and the need to modernize the economy and make it more competitive so that it is able to meet the challenge of the global marketplace of the 1990s.

We have recently announced a new industrial policy that does away with industrial licensing for investments up to a certain limit. In a fairly wide list of industries, foreign investment will also be allowed, up to 40 percent of the value of equity shares, without need for prior approval. We are also allowing the automatic import of a proportion of the components and machinery manufacturers need so that they can upgrade their production process and the quality of their products to meet international standards. Our goal is to expand our exports rapidly and strengthen our technological base.

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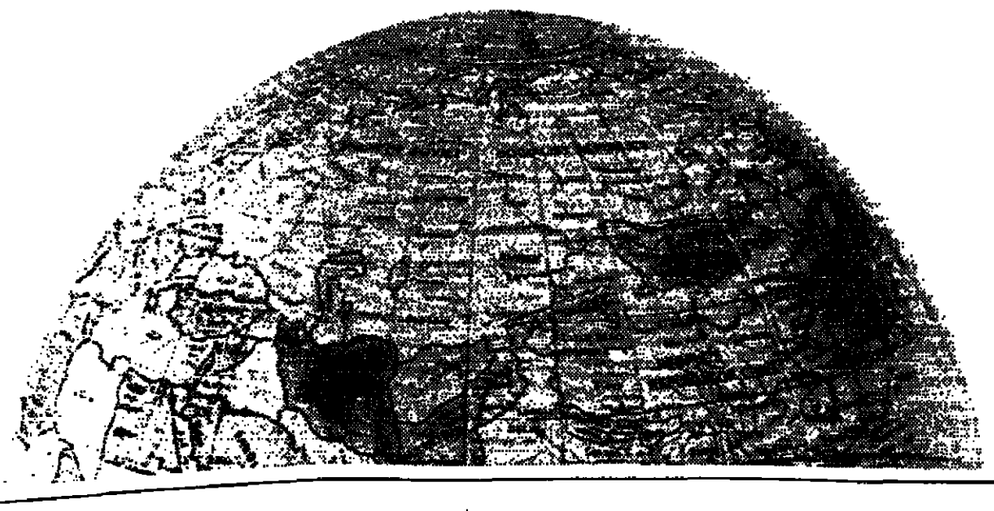

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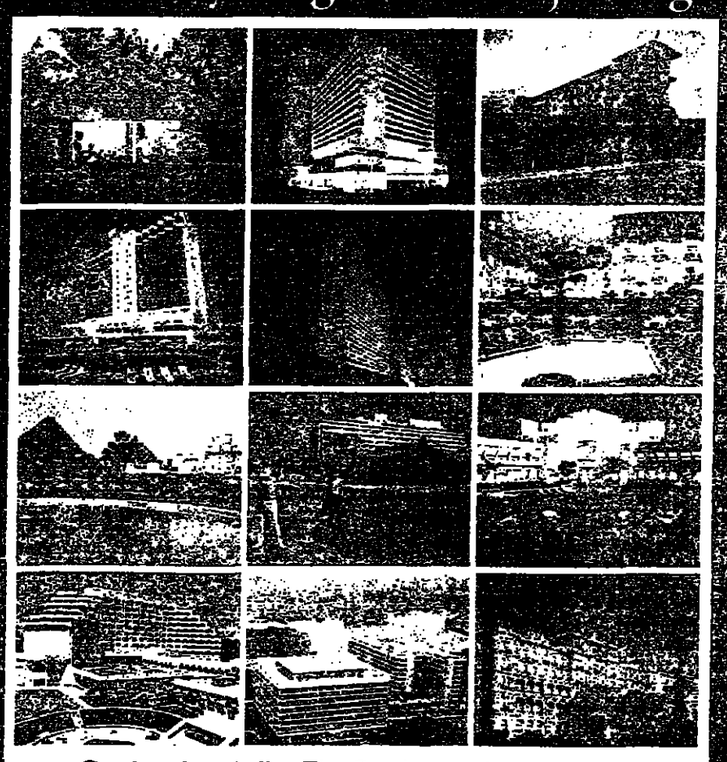

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Agriculture: Boosting Land Productivity

"The 1990s will constitute a watershed for Indian agriculture," says S.K. Misra, secretary for the Ministry of Agriculture. The sector has already achieved remarkable successes.

In a nation where farmers have long been regarded as the backbone of the economy but where agricultural production once was insufficient to feed the population, India's transformation from a food importer subject to periodic famines to a food exporter is one of its major accomplishments.

"In 1947, with a population of 400 million, we were importing food," says Mr. Misra. "Today, with double the population, we are self-sufficient and are even exporting some grains. The major breakthrough came with the Green Revolution [the development of high-yield varieties of rice and wheat during the 1960s]. For the first time, India became self-sufficient in food grains, providing adequate food for its people and saving valuable foreign exchange," he adds.

The government is trying to ensure that the farmer does not suffer excessive losses because of overproduction or natural calamities. In the past, when there was surplus production, prices would drop. Now, when prices fall below a certain level, the government intervenes through the National Federation of Cooperatives and the Food Corporation of India (FCI) to purchase as much of the harvest as is necessary to force the prices up.

STEVE VAN BEEK

A timeless method of plowing a rice field; production of rice and other grain crops has now reached record levels.

The FCI acquisitions also serve as buffer stocks in times of bad harvests. Two years ago, when a severe drought reduced yields, famine was averted by sufficient grain stocks on hand that made up the shortfalls. Rice stocks presently stand at an enormous 11.2 million metric tons.

One result of the programs is that 70.2 million metric tons of rice were harvested in 1988-89, up from 42.2 million metric tons in 1970-71. Yield gains for wheat have also been impressive. Production of the country's other main crops — sugar, pulses and edible oils — is targeted for growth, as are dairy and poultry production.

In 1987-88, agriculture earnings accounted for 29.3 percent of GDP, a drop of 5.7 percent from 1981-82 due to the rise in value of other sectors. This represents, however, a 70 percent rise from $26 billion to $44 billion over five years.

An increase in farm mechanization has spurred the growth of farm credit. "In Uttar Pradesh in 1988-89, the number of irrigation wells jumped from 60,000 to 175,000, financed through subsidies and credit," says R. Sethi, joint secretary for agriculture. "Farmers are now purchasing more than 125,000 tractors per year through credit financing," he adds.

New strides are also being made in farm technology. "The idea that technology can benefit only industry is wrong," says M.S. Ahluwalia, special secretary to the prime minister. "It can benefit farmers, too. Farms are turning to plasticulture [protecting seedlings with sheets of plastic] to save moisture. Farmers are using refrigerated trucks to transport produce. Research is under way to improve dairy stock through embryo transplants and to develop additives to extend the shelf life of fresh milk," he points out.

To boost land productivity, the government is initiating massive programs of soil conservation, water management and research into short-duration crops.

"It would be safe to assume that over the next decade, the agriculture growth rate will rise to 4.5 percent per year," Mr. Misra says.

Air India: New Initiatives

Air India is enjoying the results of some bold policy moves over the past two years.

India's state-owned national carrier adopted a new corporate identity in 1989 — a golden sun on a red sash — and then went to work to make its new motto, "The Grace of the East with the Pace of the West," a reality.

The result was a net profit of 700 million rupees (US$40 million) in fiscal year 1989-90, up 61.6 percent over 1988-89. "More importantly, we have turned six routes into profit-makers versus two in the past," says Madan Lall, the airline's commercial director.

Air India's 21 aircraft (including ten Boeing 747-200s) now fly to 40 destinations across five continents. Two Airbus 310s will be added to the fleet in August-September. "Our new Sun Executive class is finding a good reception among business clients. We are also upgrading airport lounges to make departures more comfortable," Mr. Lall says.

The airline is supporting Visit India Year 1991 and will carry the campaign's logo on all its aircraft beginning in October 1990. The combination of increased tourism, an expanded fleet and further efforts to improve route profitability is expected to boost profits to even higher levels.

Ambitious Infrastructure Projects

There has been a growing recognition that for India to realize its economic and social potential, it must make dramatic improvements in its infrastructure.

"After extensive discussions on whether to concentrate on rural or urban areas, we decided on the countryside," notes M.S. Ahluwalia, special secretary to the prime minister's office. "We are now formulating plans for extensive irrigation and road networks throughout India," he points out.

Transportation development in general is currently the focus of several government programs. The present road system of 1.8 million kilometers (1.1 million miles) is to be improved and expanded. The rail network, at 62,000 kilometers the world's second largest under single management, presently moves 11 million passengers each day and is being upgraded.

Airlines are rapidly expanding operations as well. The national carrier, Air India, now flies to 40 destinations across five continents. Foreign collaboration is being sought to develop air taxi services to link key business and tourism destinations.

Business leaders are pressing the government to increase capacity and handling facilities — especially for containers — at the country's 11 major and 140 minor ports. As an intermediate step, a dry port in Delhi accepts and dispatches cargoes to coastal ports.

Along with upgrading rail, air and shipping networks, the government has launched campaigns to improve water and energy distribution. Prime Minister V.P. Singh recently announced that the private sector would be allowed to generate electricity and build roads, two areas that had been the preserve of the public sector.

India's electricity generation has been growing at a prodigious rate. The country's eighth five-year plan envisages the expenditure of $61 billion between now and 1995 to boost capacity by 38,369 MW. India also operates seven nuclear power reactors with a total capacity of 1,465 MW. This is expected to rise to 10,000 MW by the year 2000.

India currently produces 30 million metric tons of crude oil, two-thirds of it from offshore areas; it imports another 18 million metric tons per year. Twelve refineries process the 48 million metric tons each year for domestic consumption. The country also produces 13 billion cubic meters of natural gas, a figure expected to rise to 15 billion cubic meters by the end of 1990.

The telecommunications sector has seen a 400 percent growth since 1985. Around 50 to 60 percent of India's exchanges are now fully electronic, and on July 16 this year, India's fourth communications satellite, the INSAT-1-D, became operational.

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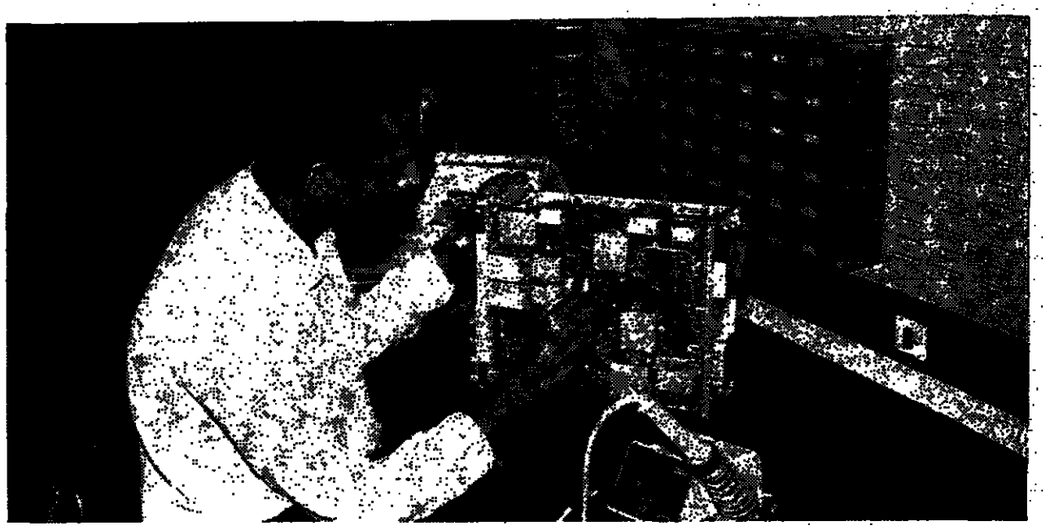

Precision measuring instruments being assembled at Hinditron's factory in Bangladore.

Industrial Globalization

Continued from Page 9

of industry to the rural areas and enhancing the contribution of small-scale industries to exports. The plan also outlines the extent of government involvement in the economy. "The government will take an active interest in industrial infrastructure, security and strategic consideration and aid the areas where the private sector is unwilling to go," Mr. Deshmukh explains.

To trim its budget and aid the private sector, the government is divesting itself of many public-sector companies it has operated for decades, several of them at a loss. "In the past, we have been investing to aid them," says Mr. Deshmukh. "Recently, public-sector areas like road and bridge construction have been opened to the private sector."

An additional focus of the Eighth Plan is export promotion. According to Mr. Pendse, less than 1 percent of India's foreign-exchange requirements now come from foreign investments. Joint ventures are needed not only to increase exports but to obtain foreign expertise in management and marketing and to gain new technology.

"In 1989-90, our exports of $16.6 billion grew by about 19 percent in dollar terms, while in volume terms they grew by 12 percent," Mr. Roy says. "This was possible because we provided access to intermediate goods and capital goods at close to international prices. We also provide fiscal incentives to exporters, such as rebating taxes, extending credit at concessionary interest rates and offering tax concessions. Other factors are a competitive exchange-rate policy and simplified procedures."

The agency responsible for promoting India's engineering products and capabilities overseas, the Engineering Export Promotion Council (EEPC), acts on behalf of its 5,500 members to find new markets and provides other essential services. V. Kumar, EEPC's executive director, says: "When we set up in 1955, exports were simple iron- and steel-based products sold to neighboring countries, the value totaling $2.9 million. In 1989-90 it was $1.38 billion. The change is due to a greater awareness of export potential, support by the government, and favorable response to our products in overseas markets."

Larsen and Toubro is one Indian company that has already become more global. "Most of our activities are those the government calls core sectors," says U.V. Rao, Larsen and Toubro's managing director, who adds: "Of our 11 groups, nine are involved in manufacturing everything from electrical switchgear to gasoline pumps. We are now building two five-star hotels in the U.S.S.R., have just completed two bridges in Malaysia and have built an airport in Abu Dhabi.

Hinditron, a leading manufacturer of precision measuring and analytical instruments, telecommunication equipment and computers, has begun joint ventures with Fluke, Digital, and Tektronics. "Computer use is growing in India at a rate of 38 percent per year," the company's founder, Hemant Sonawala, says, anticipating continued expansion for his company.

Even Hindustan Lever, a leading manufacturer for the domestic market, is now looking overseas. Irfan Khan, general manager for corporate communications, says: "Our big advantage is our big domestic market. Of India's 800 million people, 400 million buy our products. Where else can you find a 400 million-person market?" The company now exports to 50 countries.

Numerous export promotion councils work to sell specific Indian products overseas. The Gem and Jewellery Export Promotion Council represents 5,000 members of one of India's most profitable industries, gem cutting. Kaushik Mehta, the council's chairman, points out: "Four of every five diamonds cut in the world come from India. Out of $7 billion in total sales per year, India sells $3.2 billion." The Silk Export Promotion Council is endeavoring to make silk a new export earner. "Silk is potentially a high-growth sector with twin benefits: it helps the rural areas while boosting exports," says the council's chairman, L.V. Nagarajan. The industry has experienced 25-26 percent average annual growth over the past eight years.

While it supports large industries, the government is also building the small-scale entrepreneur sector. It has recently raised the investment ceiling in plants and machinery to 6 million rupees (US$340,000) and for ancillary units to 7.5 million rupees (US$430,000), provided they export at least 30 percent of their annual production by the third year.

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Bhavnagar	Nilambag Palace	Srinagar	Gulsha Houseboats
Gwalior	Usha Kiran Palace	Srinagar	Nedous
Jodhpur	Umaid Bhawan Palace		

FOR ENQUIRIES & RESERVATIONS:

For any Welcomgroup Sheraton hotel call:
Hong Kong 852-3-739-3535, Bahrain 973-534055, Singapore 65-732-6000, Sheraton toll-free numbers: U.S.A. & Canada 800-325-3535, United Kingdom 0800-353535, France 1905-907635, West Germany 0130-3535, Japan 0120-003535, UAE: Dubai 971-4-236043, or your nearest Sheraton hotel or reservation office.

For any Welcomgroup hotel call:
Loews Representation International (LRI) Worldwide.

WELCOMGROUP
Hotels, palaces and resorts

HTA 8859

Tourism Industry: Easing the Passage to India

"India is the destination of the '90s," says B.K. Goswami, director general of the Tourism Department of India's Ministry of Tourism. The curtain-raiser for the decade is Visit India Year 1991, designed to attract visitors to new destinations as well as to better-known attractions.

In addition to the traditional fairs and festivals, India is establishing 48 new ones, including such diverse activities as an elephant march in southern India, an International Tea Festival in Darjeeling and the International Yoga Festival in Rishikesh.

STEVE VAN BEEK

Indian girls in traditional dress.

The typical tourist stays for about 28 days

The ministry is also organizing a number of musical and sports events, including the Camel Trophy Road Rally. At the same time, it is striving to introduce visitors to new destinations and to help them participate more fully in Indian life.

India offers tourists natural wonder ranging from the world's highest mountains to broad plains crossed by the Brahmaputra, Jumna and Ganges Rivers to spectacular beaches.

Cities with magical names like Bombay, Varanasi, Calcutta, Srinagar, Goa, Darjeeling, Hyderabad and Bangalore have particular charms to enthrall travelers.

In addition to famed sights like the Taj Mahal, Khajuraho, Jaipur's Wind Palace and Ambar Palace, Delhi's Red Fort and the Lake Palace of Udaipur are the colors and scents of bazaars in all of India's villages and cities; the brilliance of Holi, Dussehra and Diwali festivals; and India's rich cultural heritage of painting, dance, music and architecture.

But there is even more to India than these traditional attractions. The Tourism Ministry is now seeking to draw visitors to India's lesser-known destinations. "So far, the bulk of tourism has been to the Golden Triangle circuit of New Delhi, Agra and Jaipur," says Mr. Goswami. "We want tourists to discover new areas and have created 18 new circuits to help them do it."

The new circuits range from 4 to 14 days and include, for example, tours to the heart of Rajasthan or to the coastal temples south of Calcutta. Since tourists visit India for up to 28 days on the average, they can visit a number of destinations.

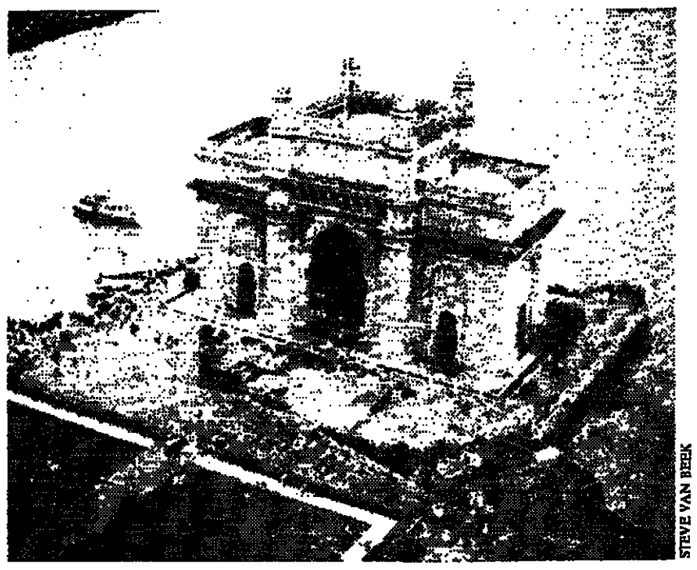
There are also special trips celebrating the romance of the railways. On the Palace Railway tour, for example, the visitor travels by steam locomotive into the heart of Rajasthan aboard luxury saloons originally built for maharajas and viceroys.

"The traditional tourist visits the cultural sites," says Mr. Goswami. "We want to move away from reliance on the cultural tours and appeal to a younger tourist with leisure and adventure tours."

Besides sports tours for golfers, India now offers organized trekking in the Himalayas and camel safaris in Rajasthan's Thar desert, as well as many other off-the-beaten-track activities.

Not only has India produced some of the world's most beautiful temples, palaces, paintings and sculptures, but it also has a rich tradition of craft and folk arts, each as distinct as the regions from which they originate.

The best-known items are woven from cloth: Varanasi silk brocades, Pashmina shawls from Kashmir, Phulkari bedspreads from the Punjab, and a variety of cottons, silk carpets, felt rugs, embroidery, and cross-stitched items. Many north Indian arts reflect Persian influence, such as lacquered papier-maché boxes, Mughul miniature paintings, brass utensils and mosaics set in alabaster.



STEVE VAN BEEK

The Gateway to India monument in Bombay; in addition to famous sites, off-the-beaten-track destinations are being promoted.

In 1989, tourism earned India more than $1.45 billion from only 1.2 million tourists, a meager number considering the country's size and range of attractions. "We are using this year to impress on the state governments the need to improve basic infrastructure," Mr. Goswami says.

The government has liberalized visa procedures and by October 1990 will have established a special immigration service to handle tourist arrivals.

India is pulling out all the stops to ensure visitors an enjoyable passage to and through one of the world's great tourism destinations.

Improving Quality of Life Focus of Five-Year Plan

While hunger has been reduced and a sizable segment of the population is enjoying new prosperity, the bulk of India's people live at subsistence level.

India's government, which since the days of Mahatma Gandhi has sought to protect the interests of the poor, recognizes an urgent need to improve quality of life for the population through better sanitation, adequate potable water, increased literacy, improved health care and better housing.

This concern for helping all sectors of India's population, both rural and urban, to achieve a higher standard of living is reflected in the country's eighth five-year plan (1990-95), which allocates a large portion of the national budget for social services.

Infant mortality is down and life expectancy is up

"The government's political philosophy is that by the end of the century, we would like to raise all the population above the poverty line," says B.G. Deshmukh, principal secretary in the prime minister's office.

The government agency charged with improving quality of life in India is the Ministry of Human Resource Development, which includes the departments of Arts, Culture, Education, Women and Child Development, Youth Affairs and Sports.

A key area of concentration is health. India's 1981 census (the most recent one) revealed that life expectancy had risen to 58 years and infant mortality had dropped from 146 per thousand at India's independence (1947) to 95 per thousand. The government is endeavoring to improve on these figures.

Looking after the health needs of the rural and urban populations are 16,450 primary health centers, 1,425 community health centers and 109,700 sub-centers. There are 564,000 midwives and 388,000 health guides.

"One of our biggest problems is water-borne diseases," says Mr. Deshmukh. "We need to build protected water sources. We need an immunization program for infants and children that will cover all the population. We need to educate midwives on proper health procedures. If health is improved, we can improve the quality of life," he adds.

Another cause for concern is India's rapidly rising population, already the second largest in the world. The 1981 population of 761 million is projected to rise to 837 million in 1990.

Despite a birth rate of 2.9 percent and growth rate of 1.9 percent, the population is still projected to grow to 913 million by 1996 and 986 million in 2000.

There are many, however, who predict that India's population will have topped one billion long before that date, especially as infant mortality is reduced and life expectancy extended.

Population may reach one billion by the year 2000

Family-planning programs are being pursued, but the vast numbers of people to be reached and the inadequate amount of available health services have blunted their effectiveness. Still, the present 2.9 percent birth rate is an encouraging decline from 3.3 percent in 1981.

The government's educational goal is the universalization of elementary education, designed to eradicate illiteracy in the 15-35 age group by 1995.

Following the success of programs like Operation Blackboard, an ongoing literacy campaign, it is expected that the 1991 census will see a vast improvement in literacy from its 1981 level of 36.23 percent. An indicator of the effects of current programs is that the number of children between 6 and 11 years of age in school in 1987 was 899 million, or 95.9 percent of all school-age children, far above 1981 figures.

Vocational training is also being given additional emphasis to prepare children for a future in the country's expanding economy.

Many programs are designed to improve the welfare of farm families and women. Two programs that have shown great success, both begun in the late 1970s, are the Integrated Rural Development Program and the National Rural Employment Program.

The Integrated Rural Development Program benefits rural families earning less than 6,000-7,000 rupees ($401) per year.

This program develops projects that are based on a principal money-earner's skills and are devised to help a family generate supplemental income. A project can involve the purchase of a cow, or irrigation equipment, or anything that will enable a worker to use his or her own skills to achieve a better way of life. Each project is planned to fit a particular family's needs.

The government subsidizes 25 percent of the input purchase; banks loan the rest. For example, if a milk cow costs 6,000 rupees, the government will provide 1,500 rupees and a bank will give a loan of 4,500 rupees at 7-9 percent interest (compared with the normal 16 percent).

The National Rural Employment Program endeavors to improve family income while developing the rural infrastructure. The second person in the family unit, usually a wife and mother, is employed to build roads, irrigation canals and other public works. She is paid with funds from the national budget.

By measures such as these two programs, the government is raising the income level of rural families, providing a sense of economic self-sufficiency, and incorporating the families into the mainstream of India's economic development.

STEVE VAN BEEK

Trishaws crowd city streets.

STEVE VAN BEEK

Women celebrating Chait, a ceremony honoring the sun.

Luxury Hotels Expanding

Some Indian hotel chains — among Asia's finest — are already well prepared for the influx of visitors that India hopes to receive during 1991.

Throughout key cities in the Indian subcontinent, one can find a luxuriously appointed room in a five-star hotel for an average of $100 per night and for even less in the low season.

The Oberoi Group's Oberoi Delhi was the first international hotel in India. "We built it in 1965," says P.R.S. Oberoi, Oberoi Group's vice chairman. "We now have 14 hotels in India and 13 overseas between Egypt and Australia."

The primary clientele is business travelers. The Welcomgroup, with its 17 properties through India, is typical in its client mix. "Our guests are 75 percent businessmen, the bulk of them foreign," says Noni Chawla, the group's vice president.

The Leela Group has taken this urge to attract business travelers one step farther. "The government decided it wanted a corporate hotel in northern Bombay to serve businessmen in the electronics industrial zone," says the group's chairman, Capt. C.P. Krishnan Nair. The Leela Kempinsky was opened there in 1985. Today the group also owns a resort hotel in Goa, a popular beach resort.

Many of India's luxury hotels have also taken on a new role recently, to become the key social centers of various cities. A measure of the authenticity of their restaurants' cuisine is that they are filled with local Indians.

The hotel executives welcome the government's recent deregulation as a spur to boosting tourism. "If the Indian government had taken the steps 10 years ago that it is taking now, tourism would be India's main foreign-exchange earner," says Ajit Kerkar, chairman of the Taj group, the largest Asian-owned hotel chain outside Japan. Capt. Nair concurs: "Tourism now [in 1990] brings in $3 billion per year. It should be bringing in $10 billion." All cite the need for improved infrastructure but are so encouraged by the changes to date that they are already expanding their operations.

OBEROI HOTELS

Krishna Oberoi Hotel, Hyderabad.

New Policy Favors Investment

Continued from Page 9

first stop in New Delhi is generally the Indian Investment Center which "promotes foreign private investment in India and assists in the establishment of joint ventures in India and abroad," says P.S. Bhatnagar, the center's secretary. "It disseminates information on investment policies, procedures and opportunities, acting as a single window agency to assist foreign businessmen in gaining project approvals and in overcoming bottlenecks," he says. "Although it is funded by the government, it is a non-government promotional organization and its services are free."

In 1989, India's chief foreign investors in number of projects were the United States with 1,377, followed by West Germany (1,250), theUnited Kingdom (1,029), Japan (662), Italy (376), and France (338). Dollar value, however, was led by West Germany ($68.9 million), followed by the United States ($35.6 million) and the United Kingdom ($19.2 million). Principal areas of investment were electrical equipment, chemicals (other than fertilizers), transportation, telecommunications and industrial instruments.

The Indian Investment Center also encourages Indians to export technical experts and technology to other countries through joint collaborations. Mr. Bhatnagar says: "India has the technical expertise but not the financial muscle. There are now 182 joint ventures [outside India] involving Indian partners, mostly in South and Southeast Asia."

Ajit Singh, India's minister for industry, sees a bright future for foreign investments in India. "The foreigners' main complaints concern the elaborate bureaucratic procedures in this country. We hope that they will be satisfied with the new policy and that there will be an increase in foreign investment," he says.

This advertising section was written by Steve Van Beek, the author of The Arts of Thailand.

TRADE FAIR AUTHORITY OF INDIA
Invites Participation in the

INDIA INTERNATIONAL TRADE FAIR '90

NEW DELHI
November 14-23, 1990

The 10th India International Trade Fair will be held at Pragati Maidan, New Delhi from November 14 to 23, 1990.

Scope of Display
Participation is invited from all sectors of industry covering all products, technologies and services.

Achievements of IITF '89
An analysis of IITF 1989 indicated that the Fair attracted 55,000 business visitors in addition to 3 million general visitors. Seventy-six per cent of the exhibitors felt they had attained their objectives of participation, 70% felt that their participation was cost-effective, 69% were satisfied with the quality of exhibition arrangements and 82% wished to come back for a repeat participation in 1990. Sixty-five per cent of the exhibitors were satisfied with the number of visitors and 86% were satisfied with the quality of business visitors.

Facilities for Foreign Participants
Facilities for foreign participants include duty free import of exhibits, on-the-spot customs clearance, warehouse provision, fair quota for sale of exhibits, on-the-spot issue of import licences and exemption from bank guarantee.

Participation Charges
Participation contribution for the international sector is US$ 70 per sq. mtr. and for the national sector Rs. 700 per sq. mtr. for covered space. Open paved space can be hired in the international sector @ US$ 25 per sq. mtr. and in the national sector @ Rs. 250 per sq. mtr.

Please contact:
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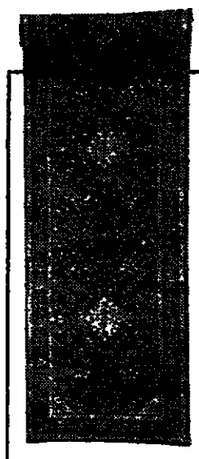
TRADE FAIR AUTHORITY OF INDIA
Pragati Bhavan, Pragati Maidan
New Delhi-110 001
Telex : 031-61311/031-61022 COMX IN
Fax : 91-11-331-8142 Cable : COMEXH



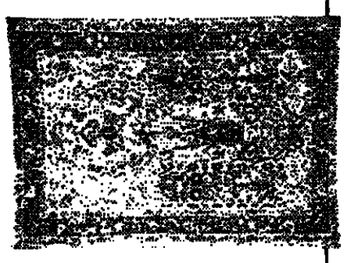
CARPET EXPORT PROMOTION COUNCIL

Indian Carpets

Indian carpets are renowned all over the world for their exquisite designs and brilliant craftsmanship.

The Indian carpet industry is the largest supplier of carpets to the world.

The touch of that Carpet beneath your feet is simply exquisite. Be it traditional motifs or innovative designs, the downy lush carpets unroll beyond imagination. No wonder, the interest of the european market is steadily increasing - it is to be noted that amongst the Carpet exporting countries, India is the only country to manufacture a wide range of carpets catering to all sections of people abroad. A multifold variety of carpets including the central Asian to the reticient Aubussion, delicate Indo-Persian to the abstract Scandinavian, to meet the growing demand.



CARPET EXPORT
PROMOTION COUNCIL
(Sponsored by Ministry of Textiles, Govt. of India)
AB-B, 1st floor, Community Centre, (Behind Kamal Cinema)
Saidarjung Enclave, New Delhi-110029

NYSE

Tuesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

WHO HAS A NEW ANGLE ON MAKING MOVIES?

Compact VHS Movie

WE HAVE.

HITACHI

The name to remember in:
Power Systems and Equipment
Information and Communication Systems
Consumer Products Electronic Devices
Industrial Machinery and Plants

(Continued on next right-hand page)

NYSE Highs-Lows

NEW HIGHS 19

AmBarrick s	AsPw 235pf	AshlandCoal	BerryPetr s
BrokenHill	CrownCkC6 s	EnterroCp	FirstMcCor s
FreeportMcM	FreeportMcM pf	GlobMar s	GlobMar wt
MedChemNew	Newmrkt Corp	SmithEdvtn	TelcomUSA
UnTexEx	WestcstEn g	WCNA	

NEW LOWS 183

AAR Cp	AMR Corp	AlbanyInt	AmPresid
Arkla	AveryInt	BRE Prpty	BRT Rlty
BkNY pf	BkNY odj pf	BarnettBks	BethSt Stl
BethSt 250p	BlocPt	BurlNorSant	CamPac
CV REIT	CanalCap pf	CarpTech	CarterHawly
CentVtPS	ChaseMnh ff	Chrysler	Chrysler pf
CityNtCp s	Clark Eq	CrystBrd	DataGen
Datapoint	DeltaAir	Deltec	Deltec
DukeP pfG	DynaCp Am	Echlin	Elcor Ind
EuropeFd n	FstPac 287p	FstChicago p	FstUnionCp
FtMorstr od	FleetwEn	FoothillGp	GT GrtEstrn
GamillIn	GrubEllis	HarkenEnsy	HighInc III
HomePed	HudsonFood	IntJapan	IntMuni
Interlon	KLM Air	KaiserAlu	KimbClk
Kellwood	Kerr Glass	KnightRid	LandsEnd
LaBarTC cv	LincNtnCv	Lowes	MDU Reso
MGM Grnd n	MarCpCorp	MortMar	Monsanto s
NorCity	NorCnvStr	NtCnv str	Novstr wtA
NtM 875pf	NthPrkBc	Oneida s	PHH Cp
PennerJC	PhilaSub	PromusCo s	PuerR Cem
RAMI Trm n	RaymdRay	RhonePoul pf	RhonePl wt
RobtHall	RJ ReyPfd n	SnetPfd	SnetPfd P
TCBY Ent	ThatCos n	ThermoEl	TmesMirH n
UsCorpSe	UMDermin	US Home	UtiCo 777p
WstCstSv s	Waxman	Webb Del	WellsRlty
WstNaFdl p	WestCo	Winnebago	

AMEX Highs-Lows

NEW HIGHS 4

AmTr-chv un	Chieftint	DevenEnsy	IntCity pr

NEW LOWS 51

AmBkCT	AmTr-ext2 un	AmTr-dow srms	AmTr-ste un
BankNH Pn	BostonPtr	BradmarP wt	BuffaloCp
Conversnlnd	CrestCapP A	BrodmarP pf	BuffaloBrn s
DataGnrl	DowChm rt	EldoradEqp rt	EsterlVis
EqtyOffic	FinkelJohn	ForestCity A	GeneveDrs
Intermark	Hello Wrld	Howell Ind	ImmunBty s
Jostyn	Hyseq s	IMSA Rlty	MarkCtr
Pioneer s	Pittway A	PepRlty	PierInov
Rexene	Pittway Brad	PriceCom	PriceCoTr
Ruddick	RJ EstSec	RadiatSys	
Thermedics	Sherwdge	TimberBrdA	
Valley Forge	WRIT		

International Herald Tribune

BUSINESS/FINANCE

MEDIA MARKETS

American Agencies Go On U.K. Shopping Spree

By Kim Foltz
New York Times Service

NEW YORK — During the last decade, acquisitive British advertising agencies snapped up some of Madison Avenue's most famous names — Ogilvy & Mather; Ted Bates; Compton; Backer & Spielvogel and J. Walter Thompson. Now the tables have been turned.

On Friday, D'Arcy Masius Benton & Bowles bought Yellowhammer, one of London's largest and most well-respected agencies.

The Yellowhammer deal is likely to be but the first in a series of acquisitions by large American agencies that have already begun shopping in London's Soho district, where many British agencies have their offices, some industry analysts and British advertising executives said.

McCann-Erickson has reportedly been looking over London agencies, and Grey Advertising unsuccessfully tried to buy Yellowhammer.

British agencies are a springboard to the Continent for their American buyers.

Charles Channon, a spokesman for the Institute of Practitioners in Advertising, a trade group for British agencies, said there appeared to be a number of agencies for sale.

Would-be buyers may well be compiling shopping lists, and it would be no surprise if the lists included some of British advertising's most well-known names, like Collett Dickenson Pearce & Partners, Bartle Bogle Hegarty, and Cowan Kemsley Taylor, which was started earlier this year by a group of executives from Saatchi & Saatchi's London office.

British agencies are attractive to their American counterparts for several reasons.

London is an ideal base for American agencies that want to increase their presence in Europe and take advantage of the boom in advertising that is expected to follow the lifting of trade barriers in the European Community at the end of 1992.

Some analysts predict that spending on advertising in continental Europe will rise by at least 10 percent annually for the next few years. In comparison, spending in the United States is expected to rise at about half that rate.

ROY BOSTOCK, the chairman and chief executive of DMB&B, said Yellowhammer's reputation for innovative work for Barclays Bank, Fiat and the British government would give DMB&B additional clout when it competed for European accounts.

DMB&B, like other large American agencies, already has a well-established office in London, from which it controls its European operations. An easy way for American agencies to pick up new European clients, analysts said, is to buy British agencies.

Mr. Bostock said his agency was also interested in Yellowhammer because the agencies shared an important client, Fiat.

Yellowhammer handles the Italian automaker's advertising in Britain; DMB&B has the account in Spain, Italy and Greece. "We want to build our Fiat business in Europe, and the addition of Yellowhammer is going to help," he said.

British agencies can now be bought at bargain rates because many are financially vulnerable, analysts said.

High inflation and a sluggish British economy have slowed advertising spending in Britain, and ad expenditures are expected to decline at least 1 percent this year, compared with a 12 percent rise in 1988 and a 3 percent increase in 1989.

"A lot of agencies are in trouble," said Chris Akers, an analyst with Citicorp Scrimgeour Vickers in London. "A few big agencies may see business grow by 5 percent or more, but many are going to see their business decline by 10 percent to 15 percent."

Prices are also expected to be low because, by Madison Avenue standards, British agencies are small.

A mid-sized agency in London has billings of about $150 million. In New York, middle-ranked agencies are at least twice that size, with billings of $300 million to $500 million.

CURRENCY RATES

Cross Rates

Aug. 14

	$	£	D.M.	F.F.	Lira	D.Fl.	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.7755	3.26	1.1265	0.3365	0.1534 *	—	5.474 *	1.3592	1.1836 *	1.5485	1.836 *
Brussels	32.45	61.2175	20.584	6.1255	2.8025 *	18.274	—	24.675	0.2563	28.385	31.54 *
Frankfurt	1.5762	2.973	—	0.2978	0.1362 *	0.8876	4.86 *	1.1981	1.051 *	1.3741	1.63 *
London (a)	1.883	—	2.9668	9.9593	2,177.50	3.3423	61.35	2.4683	N.A.	2.167	181.99
Madrid	96.81	182.51	61.482	18.384	8.36 *	54.514	2.9827	73.585	64.58 *	84.30	—
Milan	1,159.45	2,183.75	734.75	218.67	—	652.86	35.673	888.35	7.725	1,008.70	11.959
New York (b)	—	1.887 a	1.565	5.256	1,140.50	1.7655	32.345	1.3089	148.83	1.1443	96.775
Paris	5.283	9.9045	3.3574	—	0.4573 *	2.9889	0.1622	4.0352	3.5385 *	4.6355	5.47 *
Tokyo	149.85	282.39	94.90	28.28	0.1294	84.27	4.615	113.74	—	130.72	1.548
Toronto	1.1444	2.1738	0.7319	0.2178	0.988 *	0.6482	3.55 *	0.8787	0.7665 *	—	1.186 *
Zurich	1.3135	2.4779	0.8335	0.2483	0.1135 *	0.7396	4.051 *	—	0.8983 *	1.1467	1.2583 *
1 ECU	1.3718	0.6852	2.0681	6.944	1,518.41	2.3286	42.5113	1.7244	196.678	1.5844	126.917
1 SDR	1.3702	0.7267	2.1597	7.2534	N.Q.	2.4226	N.Q.	1.8818	205.529	1.5788	132.648

Closings in London and Zurich, fixings in other centers; New York closing rates, Toronto rates at 3 p.m.
*a: To buy one pound; b: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argen. austral	5605.1	Greek drac.	155.28	Mex. peso	2873.00	S. Afr. rand	2.5815
Austral. $	1.2453	Hong Kong $	7.7717	N. Zealand $	1.6447	Soviet ruble*	0.5757
Austr. schil.	11.08	Indian rupee	17.391	Norw. krone	6.148	Swed. krona	5.8275
Brazil cruz.	71.22	Indo. rupiah	1852.02	Phil. peso	23.81	Taiwan $	27.29
Chinese yuan*	4.72	Irish £	0.5878	Port. escudo	139.05	Thai baht	25.62
Danish krone	6.061	Israeli shek.	2.01	Saudi riyal	3.75	Turkish lira	2642.08
Egypt. pound	2.7234	Kuwaiti dinar	n.a.	Sing. $	1.8035	UAE dirham	3.6725
Fin. markka	3.715	Malay. ring.	2.6965	S. Kor. won	717.10	Venez. boliv.	49.30

*New York rates unless marked * (local rate.)*

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.8715	1.8616	1.8512	Canadian dollar	1.1523	1.1567	1.1618
Japanese yen	150.23	150.24	150.23	Swiss franc	1.3127	1.3115	1.3108
Deutsche mark	1.5757	1.5749	1.5739				

Sources: Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR); Gosbank (ruble). Other data from Reuters and AP.

INTEREST RATES

Eurocurrency Deposits

Aug. 14

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU	SDR
1 month	7 13/16-8 1/16	8 3/16-8 5/16	8⅞-9	14 13/16-15 1/16	9 5/16-9 7/16	7 5/16-7 7/16	9⅞-10	8⅝
2 months	7 13/16-8 1/16	8 3/16-8 5/16	8⅞-9	14 15/16-15 1/16	9 5/16-9 7/16	7 5/16-7 7/16	10⅛-10¼	8 ¾
3 months	7⅞-8	8⅜-8½	9 1/16-9 3/16	14 15/16-15 1/16	9 15/16-10 1/16	7⅛-7⅜	10¼-10⅜	8 ¾
6 months	7⅞-8	8 5/16-8 7/16	9 1/16-9 3/16	14⅞-15	10 1/16-10 3/16	7⅞-8	10 3/16-10 5/16	9⅛
1 year	8-8⅛	8⅞-9	8⅞-9	14 13/16-14 15/16	10 5/16-10 7/16	7 15/16-8 1/16	10½-10⅝	9 ¼

Sources: All Reuters except ECU: Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

Aug. 14

United States	Close	Prev.
Discount rate	7.00	7.00
Prime rate	10.00	10.00
Federal funds	8 1/16	8 1/16
Com paper 90-179 days	7.37	7.37
3-month Treasury bills	7.45	7.41
6-month Treasury bills	7.33	7.29
1-year Treasury bills	7.18	7.15
30-year Treasury bond	8.78	8.80
1-month CD's	7.45	7.85
3-month CD's	7.45	7.80
Japan		
Discount rate	5¼	5¼
Call money	7¼	7⅝
1-month interbank	7 25/32	7¾
3-month interbank	7 25/32	7 13/16
West Germany		
Discount rate	6.00	6.00
Lombard rate	8.00	8.00
Call money	8.10	8.10
1-month interbank	8.25	8.25
3-month interbank	8.45	8.45
6-month interbank	8.60	8.60
Britain		
Bank base rate	15.00	15.00
Call money	15.00	15.00
3-month interbank	15 1/32	15.00
6-month interbank	15.00	14 15/16
France		
Intervention rate	9½	9½
Call money	9 7/16	9½
1-month interbank	9 11/16	9 11/16
3-month interbank	9 15/16	10.00
6-month interbank	10⅛	10⅛

Sources: Reuters, Salomon Brothers, Bank of Tokyo, Commerzbank, Crédit Lyonnais.

Asian Dollar Deposits

Aug. 14

1 month	7 15/16 - 8 1/16
2 months	7 15/16 - 8 1/16
3 months	7 15/16 - 8 1/16
6 months	7⅞ - 8
1 year	8 - 8⅛

Source: Reuters.

U.S. Money Market Funds

Aug. 14

Merrill Lynch Ready Assets
30-day average yield: 7.66
Telerate Interest Rate Index: 7.823
Source: Merrill Lynch, Telerate.

GOLD

Aug. 14

	A.M.	P.M.	Ch'ge
Hong Kong	402.95	411.00	+ 12.50
Luxembourg	411.00	—	+ 12.75
Paris (12.5 kilo)	413.63	417.22	+ 12.11
Zurich	408.75	413.25	+ 9.00
London	411.00	411.50	+ 7.20
New York	—	404.75	+ 0.50

Luxembourg, Paris and London official fixings; Hong Kong and Zurich opening and closing prices; New York spot market close. All prices in U.S. $ per ounce.
Source: Reuters.

Chrysler Sales Dive By 38.6%

Talks With Fiat Held on Link-Up

Compiled by Our Staff From Dispatches

WINDSOR, Ontario — Chrysler Corp. said Tuesday that its U.S. car sales in the first 10 days of August fell 38.6 percent, while General Motors Corp. and Ford Motor Co. each reported declines of more than 20 percent.

Chrysler's chairman, Lee Iacocca, said separately that the U.S. automaker was talking to three foreign rivals about cooperative arrangements, but that he did not expect any of the talks to result in a full merger.

"We've just been talking to Renault, Volvo, Fiat. Everybody is talking to everybody," Mr. Iacocca said in response to a question about reports that Chrysler was talking to Fiat SpA about a possible merger.

Mr. Iacocca would not say exactly what the talks with the other automakers involved.

When asked if Chrysler needed a partner to survive, Mr. Iacocca, who was speaking at a ceremony marking the introduction of Chrysler's 1991 minivans in Windsor, replied, "I think over time everybody will need some kind of affiliation or partnership."

Industry analysts have questioned Chrysler's viability as an independent entity, given its slumping sales, market share, earnings and overdependence on the weak North American auto market.

Mr. Iacocca was also asked if Chrysler would cease to exist as an independent company.

"I would not want to predict that today," he responded. "Maybe in the year 2000, the way things have evolved over the last 20 years."

Industry speculation about Chrysler's talks with Fiat has centered on the possibility that the Italian automaker could take an equity stake in Chrysler or cooperate on the development of a new small car.

Mr. Iacocca did say that talks with Fiat were continuing, as well as talks with Volvo AB and Renault of France. Volvo and Renault's auto operations recently merged. Mr. Iacocca said current discussions involved cooperation on power trains.

He added that the sluggish economic environment was behind poor U.S. sales in early August.

Chrysler's two big American rivals reported slumping sales in the period as well. GM's sales fell 22.2 percent compared with last year, while Ford's dropped 21.3 percent.

"Somebody stopped buying something in a hurry in the last two weeks," Mr. Iacocca said, linking the sales slowdown to the uncertainty created by the Middle East crisis.

Mr. Iacocca said auto sales were not likely to suffer solely because of higher fuel prices but because consumers are fearful of losing their jobs in a recession.

Separately, he said Chrysler expects to sell 25,000 minivans a year in Europe, but he gave no specific time period. *(Reuters, AP)*

For Europeans, Oil Shocks And an Array of Cushions

By Leigh Bruce
International Herald Tribune

LONDON — European companies face a period of reduced profit margins and intensified competition as a result of higher energy costs, according to economists and analysts.

Some sectors such as chemicals and transport would suffer an immediate blow, but the experts agreed that the impact eventually will be felt by everyone.

Analysts also said the strength of European currencies in relation to the dollar would make it much easier for Europe to absorb higher oil prices.

How deep and how lasting the effects would depend both on events in the Middle East and on individual economies.

"It is very hard to generalize about the impact of high oil prices," said Mike Young of Merrill Lynch Europe Ltd., "because it will depend on the economy you are talking about: It can be argued that the U.K. is already in a recession, while Germany is booming."

Where there is a recession, explained the analysts, firms will have to shoulder most of the burden of higher energy costs themselves, while in boom areas the strong demand will allow companies to pass on a greater share of the price rises to consumers.

Mr. Young also pointed out that the economic-policy response of various governments to the oil shock — choosing to reflate as in 1973 or to bear down on inflation as in the early 1980s — would have an enormous influence on company fortunes.

Economists agreed that interest rates were likely to rise or remain at current levels for some time. As a result, companies cannot count on extra inflation to help mop up the additional costs of energy.

Indeed, the analysts warned against minimizing the challenge.

"There will be a general, pervasive influence throughout the industrial fabric," asserted Neil MacKinnon, chief economist of Yamaichi International Europe. "The relative strength of local currencies will help determine just how far higher fuel costs can be absorbed."

Thanks to high European exchange rates, pointed out Mr. Young, the oil costs of European companies only rose above 1989 levels in real terms when the price exceeded $22 a barrel.

Moreover, the increased cost to European corporations from a higher price is on average 20 percent lower than the increase faced by U.S. companies.

If the dollar weakens in relation to European currencies, the European advantage will increase, Mr. Young said.

"People often ignore the substantial impact of exchange rates on the real price of oil," he added.

The price of oil in Europe now stands at around $27 a barrel, far above the level of a month ago but nowhere near the prices reached during the last oil crisis a decade ago.

The analysts added, however, that for some firms, the exchange rate differential could amount to a double-edged sword.

Mr. Young explained that companies face difficulty if they are heavily involved in the U.S. economy or competing against U.S. companies, where pricing in cheaper dollars will gave problems.

Moreover, analysts warned that slower-than-predicted global growth — between 0.5 and 2 percentage points down — as a result of higher oil prices would place a heavy squeeze on profit margins, increase competition in export markets and depress the results of European companies heavily exposed to the U.S. market.

"It will clearly be far more detrimental to companies with large external exposure than to domestic earners," said Paul Turnbull of the Smith New Court brokerage.

Robin Hubbard, chief economist at Paribas Capital Markets Group in London, pointed out that because of the economic slowdown, "It will be difficult for companies to pass on high energy costs to their clients, especially in countries where demand is not buoyant."

For example, analysts said the higher price of gasoline will drive up costs for the trucking industry worldwide. Only in those countries where demand is strong will trucking firms be able to recoup higher costs by raising prices.

"Where consumer demand and other economic indicators are slowing, these companies have to fight for market share and so have to absorb a large part of the costs themselves," said Mr. Hubbard.

As a result, many analysts believe the effects of higher oil prices will trickle down slowly through the economy and adjustments will prove easier.

Although most analysts remained cautious

See ENERGY, Page 15

Doubts on Pact In OPEC Spur Oil Price Rise

Compiled by Our Staff From Dispatches

NEW YORK — Oil prices rose further on Tuesday as prospects of an OPEC agreement to raise output seemed to fade, while gold prices surged again amid new worries about hostilities in the Gulf.

The dollar, meanwhile, hit a record low of 1.5615 Deutsche marks in U.S. trading in response to concerns about the health of the U.S. economy (Page 17).

North Sea Brent blend, the benchmark European grade of crude oil, rose 42 cents to $26.92 per barrel. In the U.S. markets, West Texas Intermediate grade crude was trading at midday at $26.65 per barrel, little changed from Monday.

Dealers described trading as nervous, with the major uncertainty focusing on whether the Organization of Petroleum Exporting Countries would raise quotas to make up for Iraqi and Kuwaiti oil shut in by UN sanctions — some four million barrels daily, or 17 percent of OPEC supply.

Gold prices continued their upward climb amid what dealers said was very heavy buying by Middle East investors. The metal closed in New York at $404.80 an ounce, up $7.90.

"In a crisis investors might normally be tempted to buy dollars or blue-chip shares, but with the shadow of recession looming, gold seems to be the only thing of value left," one trader in Zurich said.

Investors were also reacting to threats to shipping in the Gulf, dealers said. The Middle East Navigation Aids Service in Bahrain issued a mine hazard warning after a ship was seen acting suspiciously, shipping sources reported.

Amid a flurry of official statements from OPEC members Tuesday, dealers said the a prospect of an agreement on output was becoming unlikely.

President Carlos Andrés Pérez of Venezuela said Tuesday that the South American country and Saudi Arabia are pushing for an urgent OPEC meeting to discuss whether to increase production.

But Iran, a "hawk" on pricing, seemed to join Iraq in rejecting increases. President Hashemi Rafsanjani said OPEC states should not "commit treachery against their people in favor of the global oil devourers."

U.S. President George Bush, in a phone conversation with Mr. Pérez on Monday, repeated a plea for Venezuela to increase production by 500,000 barrels daily.

Venezuela normally sells about half its daily two-million barrel production to the United States, representing about 11 percent of America's oil supply.

Many assume that Venezuela would also sell most of its additional oil to the United States, but Mr. Pérez has denied making a specific agreement to do so. "Our principal consumer is the United States. We have an obligation to them. But we can't be the only ones to give," Mr. Pérez said.

Nick Antill, an analyst at County NatWest Securities, said the market was currently being supported by the prospect of tighter supply and a fall in stocks in the third quarter if the crisis continued.

Mr. Antill said, however, that "the total amount they can produce on a sustainable basis, if you exclude Iraq and Kuwait, is 21 to 21.5 million barrels a day." That is below the 22.5 million barrel ceiling set that the July OPEC meeting. *(Reuters, UPI, AFP, AP)*

■ Japan Seeks Iran Oil

James Sterngold of The New York Times reported from Tokyo:

Japanese oil and trading companies are negotiating with Iran to replace most of the crude oil they are losing because of the United Nations embargo on shipments of Kuwaiti and Iraqi oil.

Japan cut back sharply on its imports of Iranian oil over the last decade because of the strained diplomatic relations between Iran and the West.

Now, the government has lifted informal restrictions on dealings with Iran that were imposed during the Iran-Iraq war, said Seiji Hirota, the director for international petroleum affairs at the Ministry of International Trade and Industry.

"It is very likely we will increase our purchases from them significantly," Mr. Hirota said in an interview. "Iranian oil has not been very popular in Japan because they tend to sell heavier grades, but it is true now that lots of Japanese companies are exploring increasing for delivery in the fourth quarter."

U.S. Retail Sales Show Tiny Gain in July

Compiled by Our Staff From Dispatches

WASHINGTON — U.S. retail sales squeezed out the smallest of increases, 0.1 percent, in July on strength in building materials, home furnishings and mobile homes, the Commerce Department said Tuesday.

The advance, generally in line with economic forecasts, follows a surprise revision for June of a 1.1 percent rise, despite evidence that consumers are being cautious with their cash as the economy lumbers along.

Up to June there had been three consecutive declines.

The department said sales rose a seasonally adjusted $149.5 billion last month, up from $149.4 billion in June.

"It just shows the resilience of this economy," said Norman Robertson, chief economist at Mellon Bank in Pittsburgh.

"It was stronger than it looks because they revised June up so sharply," said an analyst, Cynthia Latta, at DRI/McGraw Hill. "It does give us reason to hope consumers will spend enough to keep us out of recession."

Excluding the volatile category of auto sales, retail sales were up by 0.3 percent last month after increasing 1.2 percent in June, the department said.

Other indicators of economic activity show American consumers trimming spending and using less credit with the impact of higher oil prices still to show up.

The government had reported that growth in the total output of goods and services, or gross national product, already had slowed to an anemic 1.2 percent annual rate between April and June.

Gasoline prices have risen by 10 cents a gallon (3.8 liters) since the Iraqi invasion of Kuwait.

July sales of durable goods, expensive items made to last three or more years, were up 0.3 percent, while sales of nondurable goods showed no change, according to the report.

Sales of cars, trucks and vans were weak last month, down 0.6 percent.

Most of the strength came in two areas. Sales of building materials, hardware, garden supplies and mobile homes advanced 3.9 percent in July, while sales of furniture and home furnishings gained 2.5 percent.

In the nondurable sector, department-store sales increased last month by 0.8 percent, food sales were up 0.4 percent and drugstore sales increased 0.6 percent.

Sales fell 0.3 percent at gasoline service stations in July, tumbled 0.9 percent at clothing stores and were off 0.4 percent at restaurants and taverns.

The $149.5 billion in total retail sales for July is an increase of 2.8 percent over July 1989.

Retail sales represent about half of consumer spending.

To avoid a recession, the Bush administration and many economists have urged the Federal Reserve Board to stimulate the economy by lowering interest rates. The Fed has held rates high to curb inflation. *(UPI, AP, Reuters)*

Inflation Persists Globally

Reuters

GENEVA — Inflation is creeping up in many countries despite efforts throughout the 1980s to bring it under control, the International Labor Organization said Tuesday.

Sixty-seven of 99 countries surveyed registered higher increases in consumer prices in 1989 than in 1988, while rates fell in 27 countries, the ILO said, adding that latest figures showed the upward trend was continuing.

Countries with steadily rising inflation rates in the first few months of 1990, compared with December, included Sri Lanka, 22.6 percent; Hungary, 26.8 percent; Sweden, 10.1 percent; Chile, 24.8 percent, and Britain, 9.4 percent.

Argentina, Peru, Yugoslavia and Brazil recorded hyperinflation in 1989 between 1,900 and 4,900 percent.

Nine nations — Tanzania, Mexico, Syria, Gambia, India, Norway, Panama, Malta and Malawi — reduced inflation in 1989 for the second successive year.

U.S. Wage Inequality: Finding Answers

By Louis Uchitelle
New York Times Service

NEW YORK — Americans who work in the same field and are of similar age and education are finding that their wages, once very close, now extend across a much wider range, new studies of U.S. Labor Department data show.

Such findings contribute a new explanation for the growing gap between incomes of the wealthiest and poorest Americans, which is now the widest since World War II, even after adjusting for inflation.

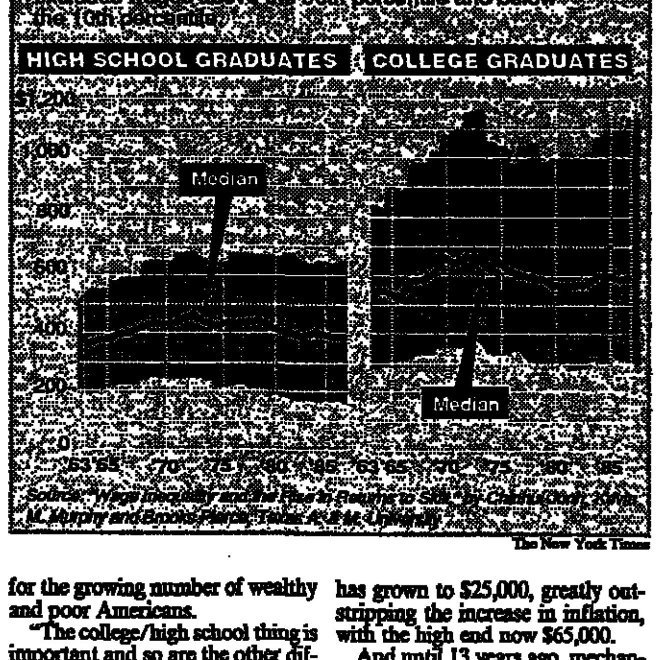
The gap can no longer be explained simply by noting that the college-educated earn much more than those with only a high school degree, that blacks do not fare as well as whites or that men earn more than women.

Among the theories explaining the change is that the wage spread reflects a decline in the power of unions, which act to keep wages more uniform. Another is the stiff competition wrought by deregulation in some industries, which forced some struggling employers to impose lower wage scales than their more successful rivals.

Some economists also think the wage gap has grown as employers increasingly short of skilled labor bid up wages for the best workers, using criteria that go beyond education and job experience. Finally, some economists say that social mores that once kept wages within limits even on Wall Street eroded in the 1980s.

Although wage spreads are increasing among all workers, what is most striking about the trend is its appearance among men who hold full-time jobs, economists say. They constitute more than 50 percent of the labor force, and their wage scales had historically been the most uniform.

Results from the recent studies suggest to many economists that the increasing wage gap in this group is perhaps the chief reason for the growing number of wealthy and poor Americans.



The New York Times

"The college/high school thing is important and so are the other differences, but most of the action is among people of the same age and education," said Lawrence Katz, a Harvard labor economist, who is studying the wage-spread phenomenon. "Inequality is going up in nearly every occupation."

Ten years ago, for example, young lawyers of similar age and education who were seeking to specialize in pension law could expect to land jobs in New York that paid similar salaries. Today, wage surveys show the top salary is $110,000 and the bottom $42,000, a spread of $68,000.

Electrical engineers in their early 30s, holding jobs in Silicon Valley, California, earned within $12,000 of each other in 1980. The spread has grown to $25,000, greatly outstripping the increase in inflation, with the high end now $65,000.

And until 13 years ago, mechanics at any of the big U.S. airlines with the same seniority earned virtually the same wage. Today, a top-scale mechanic's hourly wage ranges from $16 at Pan Am Corp. to $21 at American Airlines.

Economists say that the wider wage gap has been caused mainly by employers bidding up wages for the most skilled workers, and add that this makes U.S. companies more competitive.

But paying sharply different wages to people with essentially the same job credentials is divisive of American society, some economists and sociologists argue.

"I'm not overly concerned about one lawyer who makes $35,000 and another who makes $100,000," said Richard Freeman, a Harvard economist. "But for many others, the wage spread means they no longer make it into the middle class. And they are working just as hard as people did 30 years ago."

The wage spread means, in effect, the disappearance of a sort of insurance policy that assured people they would receive roughly the same pay if they switched jobs, even if one shoe salesman, mechanic, secretary or engineer was not so skilled as another, Mr. Freeman said.

Such uniformity exists today in other industrial nations, among them West Germany and Sweden, where government agencies or unions set pay guidelines.

Christopher Jencks, a sociologist at Northwestern University, sees another problem. More workers, finding themselves earning less than their peers, seem to be growing discouraged and leaving the labor force, Census Bureau data indicate. "People get a set of wage expectations that become harder to fulfill," he said.

Many theories are being offered to help understand a process that the studies show is 20 years in the making and that is only now getting the attention of many economists.

Mr. Freeman and others think union contracts had tended to keep wage scales uniform within many industries and that the decline in union membership and influence at the bargaining table undermined this check on wage inequality.

That change took place, for example, in the airline industry, where mechanics' wages were "in lockstep with each other" in the 1970s, kept that way by the International Association of Machinists union until deregulation, said Jerry Glass, head of J. Glass & Associates, a labor-relations consultant to the industry.

Stiff competition, wage give-backs and bankruptcies forced some machinists to give ground, disrupting the scales.

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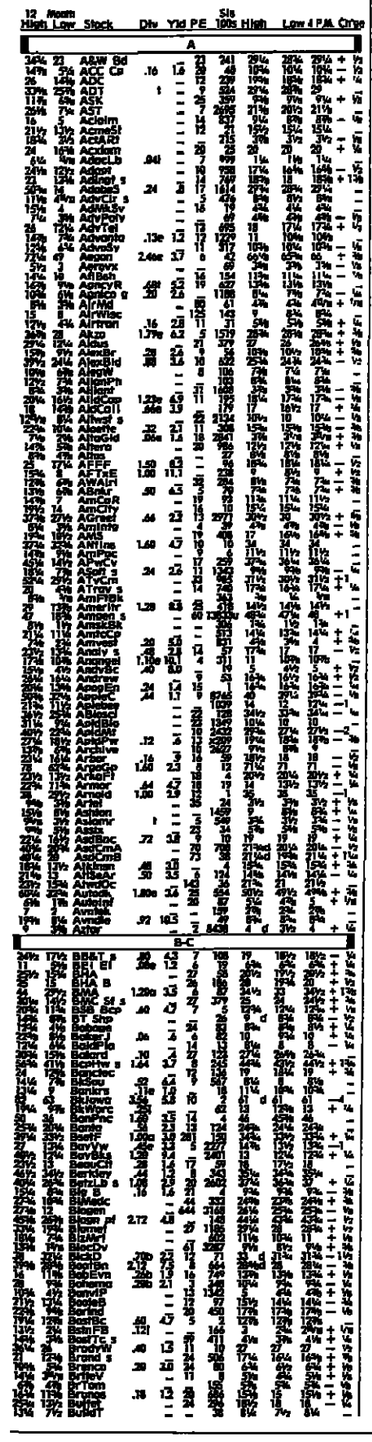
هكذا من الأصل

NASDAQ

Tuesday's Prices

NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

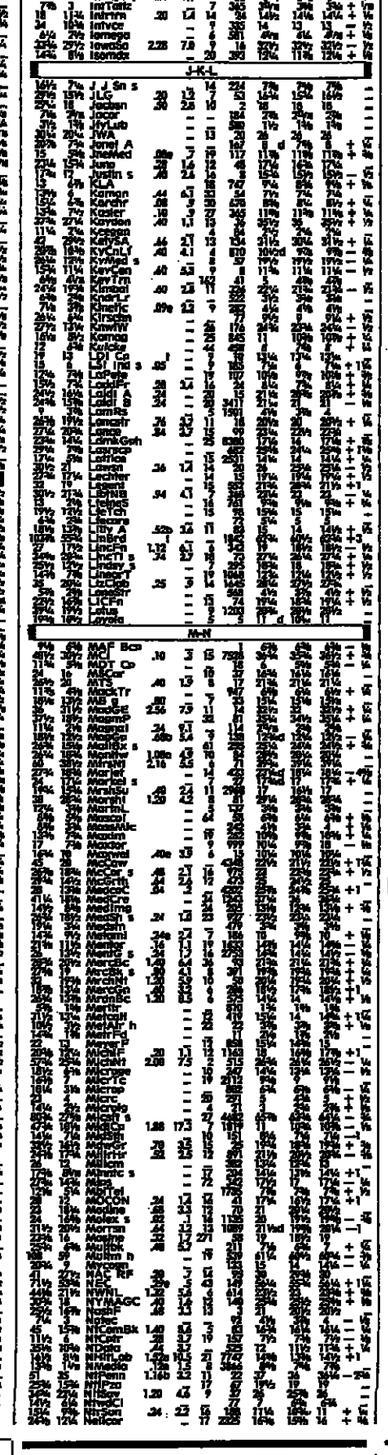


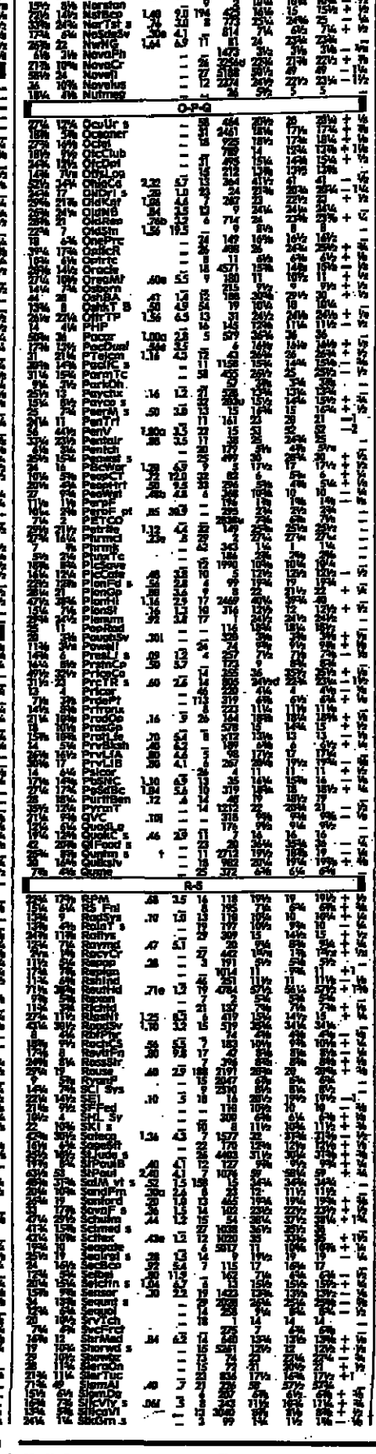
NYSE

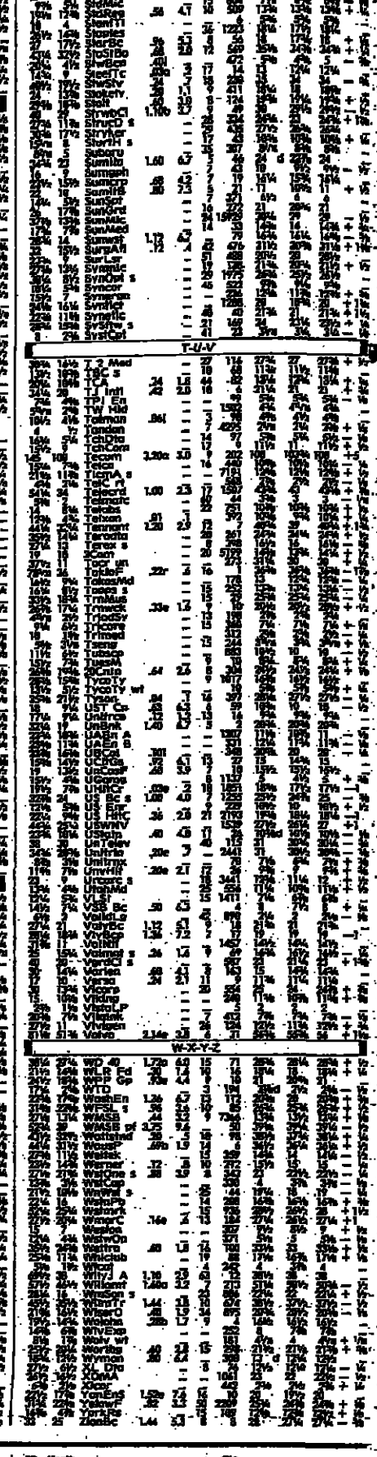
Tuesday's Closing

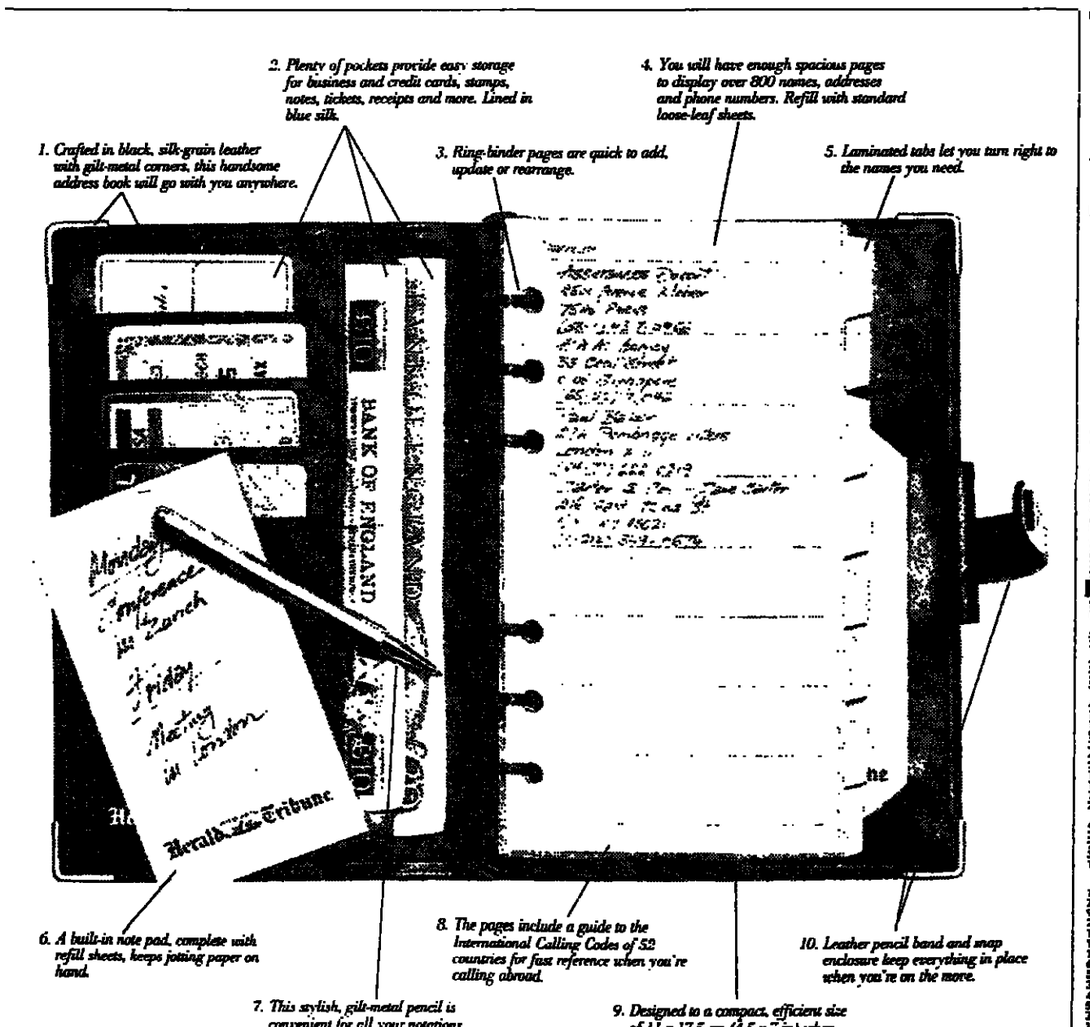
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

(Continued)









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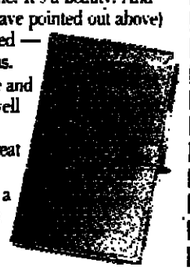

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Commerzbank to Raise Funds

Reuters

FRANKFURT — Commerzbank AG, West Germany's third largest bank, said Tuesday that it plans to launch a 500 million Deutsche mark ($317.1 million) rights issue to finance expansion in East Germany and elsewhere.

The issue, which will boost Commerzbank's capital to 7.3 billion DM, will consist of 10-year nonvoting certificates, said Peter Pietsch, a bank spokesman. A definite sale date will be set later this month.

The payout on the certificates will be related to the dividend Commerzbank will pay on its voting stock. The bank, which paid a 9 DM dividend last year, has repeatedly said a rise in its dividends on 1990 results is likely.

Banking industry analysts expect the bank to raise its 1990 dividend to 10 DM, partly to boost the price of its shares and to counter claims that the stock is undervalued.

Mr. Pietsch said Commerzbank had opted for this particular type of capital increase after a successful issue of such stock in 1985 and because the payout on the certificates will be tax deductible, in contrast with taxable dividend payments.

The fact that Commerzbank had chosen to launch nonvoting certificates rather than voting shares was not aimed at thwarting any attempts by shareholders to build up significant positions in Commerzbank shares, Mr. Pietsch said.

"We are a bank owned by a large number of members of the public — we have no big shareholders. And we know of nobody looking to build up a large stake in the bank," Mr. Pietsch said.

Commerzbank has said it expects 1990 to be a good year, with operating-profit growth expected to be in double digits.

Group partial operating profit rose to 611 million DM in the first six months of the current year, from 520 million in the first 1989 half. Group business volume was 198.1 billion at the end of the first half, the bank said.

On the Frankfurt Stock Exchange, Commerzbank shares traded 50 pfennig higher at 273.50 DM after the rights issue was announced.

Commerzbank has also been taking steps to diversify its funding sources. It recently announced plans to list its shares on Spanish stock market.

Cash Acquisitions Push Polygram Profit Lower

Reuters

AMSTERDAM — The record company Polygram NV said Tuesday that its net income fell 20.3 percent in the first half due to the cash acquisitions of Island Records and A&M Records Inc.

Polygram, which is 80 percent owned by Philips NV, said it earned 118 million guilders ($66.4 million), compared with 148 million guilders in the first six months of 1989.

The company said its investment income dropped severely to 8 million guilders from 46 million, because it had paid cash for Island in July 1989 and A&M early this year on undisclosed terms.

Polygram, the largest record company based outside the United States in terms of sales, said its operating profit rose to 188 million guilders from 181 million a year ago, while its sales rose to 2.18 billion guilders from 1.75 billion.

"The first-half performance was consistent with our operating plan for the year," said David Fine, Polygram's president and chief executive, in a statement. He said strong demand was seen worldwide.

Mr. Fine said Polygram was pushing to increase market share and profitability in the United States and was looking forward to 1991, when the company expected a strong schedule of new releases and the full benefits of the purchases of Island and A&M.

German Retail Profits Soar

Reuters

BONN — Strong summer results have propelled West German retailers toward record profits this year, helped by East German demand, a Bonn tax cut and West Germany's highest employment rate.

Optimistic expectations for summer sales were fulfilled completely, said a spokesman for Karstadt AG, West Germany's largest retail chain.

The West German retail federation said an unusually high 87 percent of 50 companies surveyed were satisfied with the results of two-week summer sales that ended on Saturday.

A spokesman for Kaufhof Holding AG, another big West German retailer, said warehouses for summer goods are empty and business went very well, helped by good weather.

Michael Zlotnik, analyst for Bank in Liechtenstein (Frankfurt) GmbH, estimated that revenues during the summer sales rose as much as 10 percent from 1989's levels, with stores in West Berlin and border areas reporting two-digit sales increases.

"The summer sales have confirmed the excellent trend is continuing," Mr. Zlotnik said. "There will be good annual profit figures this year at last."

Mr. Zlotnik said East German demand in particular had helped reverse stagnant sales.

Last year, the retailers had seen profits rise a scant 1.7 percent, far below the 4 percent growth of West Germany's gross national product.

East Germans, who received their first Deutsche marks when monetary union started on July 1, have been particularly keen to buy textiles, electronic equipment and foods.

An industry spokesman said sales of clothing were especially high during the summer, with strong demand for winter clothes that have not yet been marked down.

Consumer durables also sold well in West Berlin and border areas.

Analysts noted West German retailers have also received a strong boost this year from Bonn's large tax cut in January, plus high employment and large wage increases negotiated across the board by trade unions in the spring.

Ulrich Reitz at Bank Berliner Handels- und Frankfurter Bank has increased his forecast for average profit growth in the sector by a full percentage point, to 5 percent.

"The department-store sectors looks excellent in 1990," Mr. Reitz said. "The figures so far indicate stronger expansion than expected earlier this year."

Hans Peter Wodniok, Frankfurt-based analyst for the British brokerage James Capel, expects a real increase of 3.5 percent to 4 percent in retail profits this year, after an estimated 4.5 percent profit rise in the first half.

He said the retailers do not usually make large profits during the summer sales, when prices are cut drastically. High turnover, however, cuts stocking costs and improves liquidity for the rest of the year.

Analysts note, however, that massive investments needed in East Germany, currently undergoing sweeping economic reforms, will dampen retail profit next year.

Mr. Wodniok said the factors lifting profits this year would disappear next year. "Next year's business will cool down to last year's level," he said.

Shares of retailers have fallen recently in line with other West German stocks, which ended at new lows early in the week on worries over the Gulf crisis and sharp price drops elsewhere.

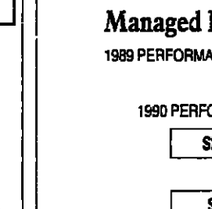
Analysts say retail shares are now undervalued. Investors should focus on short-term buying, however, as profit growth will slow in the longer-term.

Karstadt finished 2 DM lower at 672 in Frankfurt on Tuesday, compared with 1990's high of 770 and low of 598. Kaufhof was up 3.50 DM at 618.50. Its 1990 high stood at 724 and its low at 599.

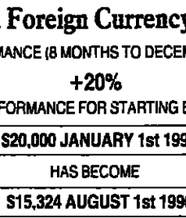
Analysts expect Karstadt and Kaufhof to rake in particularly large profits this year, as they have many stores in West Berlin and the border areas.

Investor's Europe

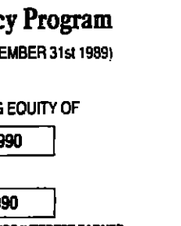
Frankfurt — Commerzbank



London — F.T. 100 Index



Paris — C.A.C. 40



Exchange	Index	Tuesday Close	Prev. Close	% Change
Amsterdam	CBS Trend	105.40	105.30	+0.09
Brussels	Stock Index	5710.98	5732.66	-0.38
Frankfurt	Commerzbank	2088.30	2097.60	-0.44
Frankfurt	DAX	1715.05	1706.05	+0.53
Helsinki	UNITAS	538.10	537.90	+0.04
London	Financial Times 30	1742.60	1732.20	+0.60
London	FT-SE 100	2234.00	2219.60	+0.65
Madrid	General Index	260.65	258.99	+0.64
Milan	MIB	934.30	942.10	-0.83
Paris	CAC 40	1712.03	1721.01	-0.52
Stockholm	Affarsvarlden	1197.70	1190.80	+0.58
Vienna	Stock Index	623.62	622.81	+0.13
Zurich	SBS	608.40	605.00	+0.56

Sources: Reuters, AFP

International Herald Tribune

ENERGY: *Strength of Europe's Currencies Will Help Companies Deal With Oil Shocks*

(Continued from first finance page)

about the long-term impact of oil price rises on particular industrial sectors until the market conditions stabilize, they did reveal a consensus in certain areas:

- Energy companies would all benefit in the short to medium term. Oil companies will benefit from the higher price of oil, with British Petroleum predicting that every $1 increase sustained for a year would add $200 million to its net profit.
- Oil companies will face higher input prices for petroleum products and might not be able to pass on the full increase to clients. "Industrial customers are very price-conscious and will resist higher prices at a time their own margins are being squeezed," said Mr. Hubbard.
- Energy companies not involved in oil — whether in natural gas, nuclear, hydroelectric or other alternatives — should be long-term winners. "Both the mainstream companies and the smaller countries looking into alternative technologies like solar energy will benefit," said Mr. MacKinnon.
- The chemical industry in general would be hit very hard. Oil can account for as much as half of a chemical company's raw material. Analysts say the economic slowdown under way has hurt demand and stocks are relatively high.

Ironically, this is one sector where the exchange-rate advantage of Europeans does not come into play.

Mr. Young points out that U.S. chemical companies have shifted away from oil toward alternative raw materials like natural gas in recent years. Moreover, in a market largely priced in dollars, "the global pressure on margins will lead to a competitive dogfight for market share that will favor the weaker dollar," according to Mr. Young.

- Textile companies, which also use petrochemical products extensively and are already under fierce global economic pressure, also would have a hard time adjusting to the rise in prices.
- Transport would be hit unevenly.

According to Mr. MacKinnon, the goods transport sector would be affected the most. He and others question how price-sensitive tourist travel would prove to be. In general they say that that higher prices could well compensate for any decline in passenger traffic.

- Manufacturers of transportation equipment, which operate on long-term contracts, should not suffer in the short term.

New political and economic incentives to conserve energy would help companies like France's Compagnie Générale d'Electricité, Britain's GEC and Germany's Siemens. All are deeply involved in producing futuristic public transport systems.

- Major airplane manufacturers would not suffer in the short term, but a permanent upward trend in fuel prices would benefit the relatively more fuel efficient models of the Airbus, according to some analysts.
- The auto industry would also need to stress investments in fuel efficiency and even alternative fuels over the long run.

In the immediate future, the economic downturn accompanying the oil price rise will further dampen an auto industry that has reached the end of a six-year boom, said the experts.

- Capital-goods companies will face mixed prospects.

According to Mr. MacKinnon, big construction companies like France's Bouygues SA would suffer both from the downturn in East European prospects and from the continued high interest rates. Likewise, capital-equipment companies in Italy, Germany and Switzerland would not benefit from the expected demand from Eastern Europe.

"The demand will come, but much later than we though only a few weeks ago," said Mr. Young.

- Companies making investments in energy-saving technologies face a much enhanced future, according to Mr. MacKinnon.

He and others said the winners would range from makers of insulation to companies developing advanced robotics, computerized energy management systems and the like.

- Ironically, after energy companies, the biggest long-term winners could turn out to be the big defense contractors.

Mr. Turnbull pointed out that only a couple of weeks ago the whole defense sector was depressed due to expected budget cuts following the end of the Cold War.

"With what's happening in the Middle East, I don't think we can assume there will be such a large decline after all," he asserted.

There was very little consensus among analysts about other sectors of industry.

Consumer electronics, for example, is not expected to suffer directly from the rise in oil prices, but some analysts pointed out that with interest rates possibly heading upwards, consumer demand could not help but follow, affecting both manufacturers of consumer products and retail operations.

Swiss Company Buys 3.6% Stake In Berisford

Reuters

GENEVA — Compagnie Nouvelle d'Importation et d'Exportation SA, a privately owned, diversified Swiss company, has bought 17.7 million shares in Berisford International PLC of Britain at 63 pence ($1.18) per share, Joel Herzog, a Noga director, said Tuesday.

The purchase of the 3.6 percent stake in the troubled sugar and real estate concern from Citicorp Investment Bank (Switzerland) took place last Friday, Mr. Herzog said.

Asked if Noga was interested in buying more Berisford shares, he said, "We are going to watch what happens. All options are open."

Mr. Herzog said Berisford had certain assets with value which had been "talked down" to price levels not justified by fundamentals. The transaction took place at well above the market price of Berisford shares, which Tuesday were trading one penny higher at 47 pence per share.

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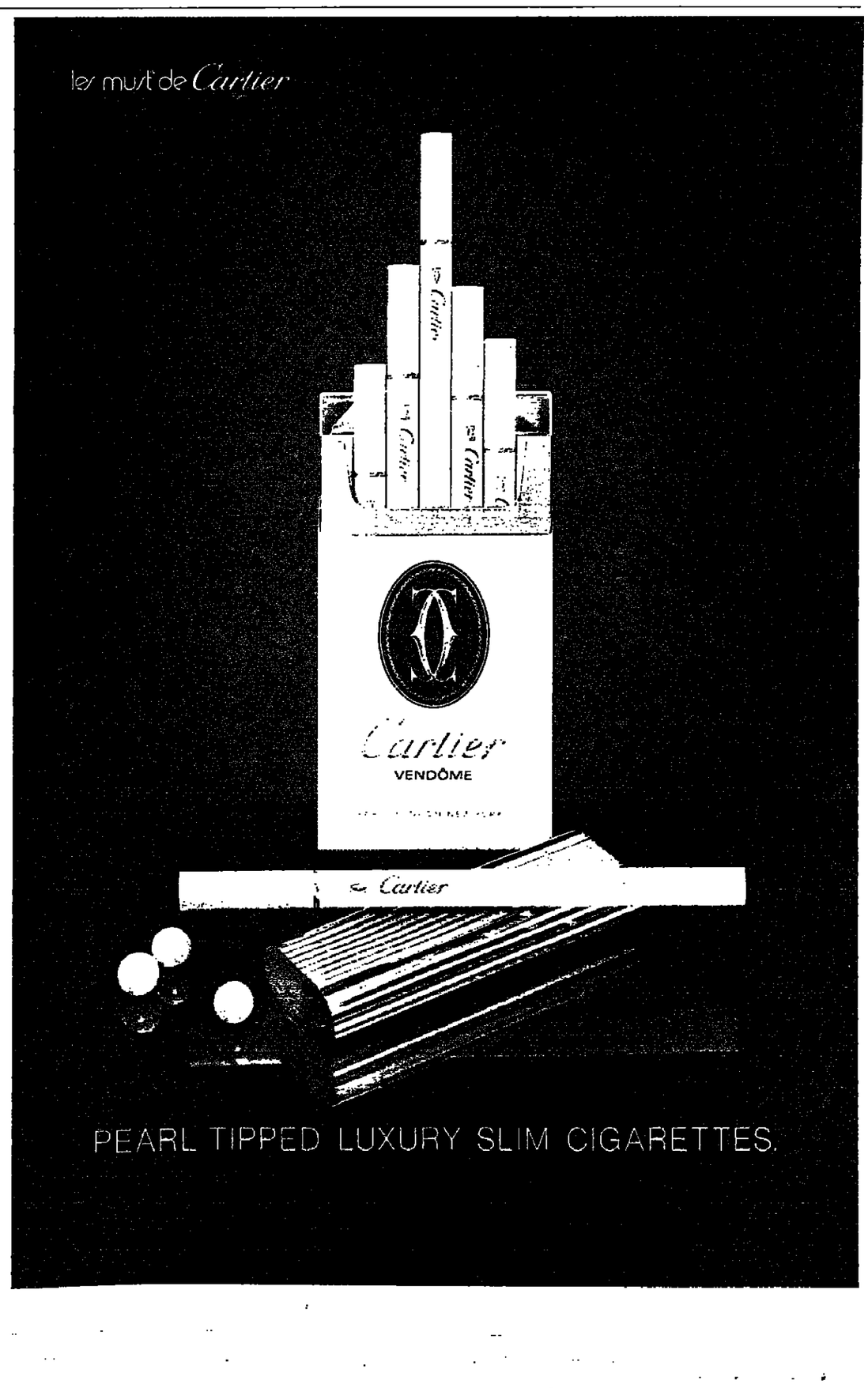
AMEX

Tuesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*



(Continued on next page)

Bankers Cool to China's $3.3 Billion Rail Plan

By Steve Glain
International Herald Tribune

HONG KONG — Bankers and analysts have given a cool reception to a Chinese proposal to build an estimated $3.3 billion railroad between Beijing and Hong Kong, underlining the reluctance among lenders to help fund all but relatively small government-backed mainland projects.

The proposed railroad will help relieve congestion on the existing north-south rail link between Beijing and Hong Kong, and is a "necessary preparation" for the colony's return to mainland control in 1997, Chinese and local press reports have said.

The 2,364 kilometer (1,468 mile) route will be laid alongside the existing Beijing-Hong Kong line and should help stimulate the languishing economies in southern China's rural provinces, reports said.

The project was first reported last Friday in the state-run People's Daily newspaper, in an article quoting an official of China's Railway Ministry. There has been no indication of when construction would begin.

Local governments along the new route are expected to contribute 20 to 25 percent of the construction costs, in return for the use of the line, according to the China Daily, though there was no mention of how the rest of the project would be financed.

Officials at the Railway Ministry in Beijing were not available for comment. A ministry representative in Hong Kong referred *all queries to Beijing.*

Analysts here said the proposed railroad is probably an extension of China's current plans to upgrade rail facilities. Streamlined transportation is considered vital to the distribution of the country's agricultural goods, which accounted for 24 percent of gross national product in 1989, according to Business International.

Officials at Hong Kong's Transport Department said they had heard nothing of the proposed rail link before reading about it in the local press. A spokesman for the Kowloon-Canton Railway, a private firm that operates the Hong Kong portion of a railroad that extends to the Southern Chinese city of Guangzhou, said the company *had not been contacted by Beijing.*

But the spokesman also said the new line could stop at Shenzhen, a budding financial and industrial center just north of the border between China and Hong Kong.

Although Chinese engineers are experienced railroad builders and have exported their technology to developing nations, the mainland is burdened with acute transport problems that are often blamed for the widespread spoiling of harvested crops.

Analysts said an improved rail network in Southern China could feed into the international airport now under construction at Shenzhen, which would generate healthy air cargo trade at a time when cargo handling and distribution facilities are in brisk demand in Northeast Asia.

However, a second rail link between Beijing and Hong Kong faces vast logistical and financial hurdles, according to analysts. Much of the existing route passes through congested cities, with little or no room for expansion. Elevating the line would push its cost far past the project's reported budget, the analysts said.

The estimated costs of the plan are too high for the government to digest without overseas loans, according to analysts, but most bankers said they were not ready to participate in a large syndicated loan package to the mainland.

China's economy has been hurt by the tough austerity program administered since Western nations slapped a ban on new loans to the mainland after the massacre of anti-government demonstrators in Beijing on June 4, 1989.

China's state-run enterprises and joint-venture companies have borrowed about $6.3 billion in government-guaranteed loans during the last decade, compared with the country's total foreign debt of $41.3 billion at the end of 1989, according to figures released by Beijing to the World Bank earlier this summer.

However, some analysts and bankers said China has built up substantially more government-backed debt than it acknowledges.

To make matters worse, bankers said, Beijing has yet to make clear whether it will honor its guarantees on loans issued to a string of cash-strapped firms. Some of China's state-run companies and joint ventures are near bankruptcy, according to analysts.

"This proposed railroad is only viable if it's a government project," said a director of a major U.S.-based bank in Hong Kong. "If they expect a private group to collect tolls and fares, there is no way they will get a syndicated loan."

The head of another U.S.-based bank said it was "a bit premature" for China to expect overseas loans for major projects like the railroad bid, regardless of who backs the funds.

"There are smaller loans being extended, but these are very small, about $20 to $30 million," the banker said. "Three billion dollars is a different kettle of fish."

Although Japan eased China's credit crunch last month by announcing it would resume new loans, analysts said the mainland is still desperate for funds.

U.S. banks have preserved the loan embargo, and international lending groups like the Asian Development Bank and World Bank have yet to offer loans to China for anything but basic needs. Most analysts said it could take years before the mainland qualifies for concessionary loans for new infrastructure projects.

To trim the amount of foreign exchange needed to finance the project and reduce the size of a loan package, some analysts said, China could fall back on its ample but rudimentary local resources.

"China could probably supply most of the materials domestically," said Michael Ipson, general manager at Chemical Bank (Asia) Ltd. "They don't have access to foreign markets like they did before the June 4 massacre, so the times they do go to the market are the times they need foreign exchange."

However, relying on domestic resources could postpone the project and deprive it of the modern planning and design needed to help the railroad cope with great demand for spare capacity, according to analysts.

"If they can do it, it won't be very sophisticated," said Rose Lee, deputy managing director of Hongkong Bank China Service. "They have experience, but what kind of cars do they expect to run after they lay the tracks? I don't think China has the resources to put together an adequate feasibility study."

Japan Plows Money Into EC Plants

Reuters

TOKYO — Japanese investment in the European Community rose sharply in the financial year ended March 31, with manufacturing investment doubling, a government bank report released Tuesday said.

The Export-Import Bank of Japan said new investment rose to $14 billion from $8.33 billion in the previous financial year, with manufacturing investment accounting for $3.05 billion, up sharply from $1.46 billion.

Britain remained the most popular EC nation for Japanese investment in 1989-90, attracting $5.24 billion, followed by the Netherlands with $4.55 billion, France with $1.14 billion and West Germany with $1.08 billion, the report said.

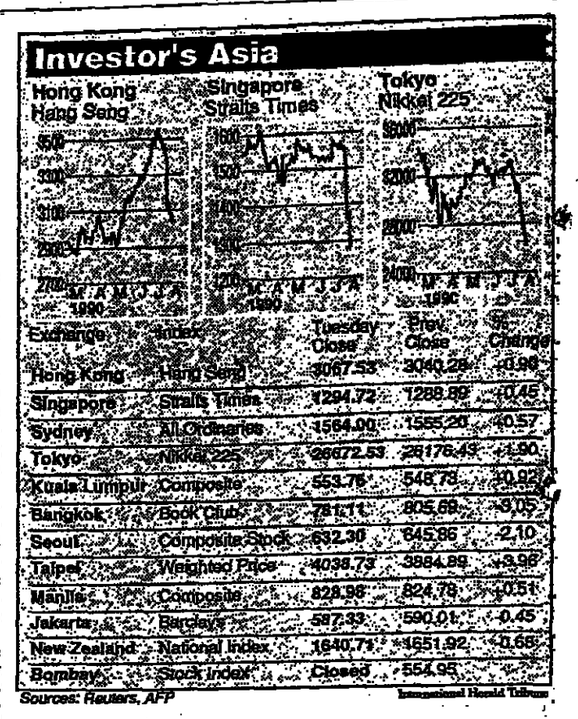
It said Japanese companies were boosting their investment in order to avoid controls on direct exports from Japan, including anti-dumping duties, and because they feared increased protectionism in the unified EC market after 1992.

Japanese companies were also attracted by good investment conditions, including tax incentives and competitive wage levels, and by a desire to produce goods tailored for European Community consumers, the report said.

It further noted the establishment of research and development facilities in Europe, the movement of Japanese suppliers of parts and components there and the opportunity afforded Japanese companies to spread currency risk.

The report said that about 60 percent of the investments were profitable. *But it added that many* projects set up since 1987 were in the red, with firms suffering severe competition in attracting skilled staff. Workers often needed more supervision than employees in comparable companies in the United States, the report added.

Investor's Asia



Exchange	Index	Tuesday Close	Prev. Close	% Change
Hong Kong	Hang Seng	3067.53	3040.28	+0.90
Singapore	Straits Times	1294.72	1288.89	+0.45
Sydney	All Ordinaries	1564.00	1555.20	+0.57
Tokyo	Nikkei 225	26672.53	26176.43	+1.90
Kuala Lumpur	Composite	553.76	548.73	+0.92
Bangkok	S.E.T.	781.11	805.69	-3.05
Seoul	Composite Stock	632.30	645.86	-2.10
Taipei	Weighted Price	4038.73	3984.89	+1.35
Manila	Composite	828.98	824.78	+0.51
Jakarta	Bersley's	597.33	590.01	-0.45
New Zealand	National Index	1640.71	1651.92	-0.68
Bombay	Stock Index	Closed	554.95	

Sources: Reuters, AFP — International Herald Tribune

Tokyo Shares Rebound, Boosting Asian Bourses

Reuters

TOKYO — Led by Tokyo, most Asian stock markets rebounded Tuesday from heavy losses the previous day, but brokers said investors remained edgy about the Gulf crisis and that few signs suggested a sustained upturn.

The Nikkei average of 225 shares closed almost 500 points or 1.90 percent higher at 26,672.53, but was still far from erasing Monday's huge 1,153-point plunge — the seventh-largest slide on record.

Brokers said the main buyers on a slow day were bargain-hunting financial institutions, but the market was still overshadowed by Middle East uncertainties and worries over interest rates.

Bargains were also snapped up on the Hong Kong and Taiwan markets. Australian shares also gained, largely owing to a surge in the gold sector after rises in bullion prices.

Hong Kong's Hang Seng Index ended the day 27.25 points higher at 3,067.53, while the Taiwan weighted index gained 153.84 points, or 4 percent, to 4,038.73.

In Sydney, the All Ordinaries index ended 8.9 points firmer at 1,564.10, with the Nikkei's partial recovery in Tokyo adding to the boost from the gold sector.

Dealers in all three markets said small investors, inspired by institutional buying in the last trading hour, fueled the price rise.

Thai investors bucked the trend, with the Bangkok index down sharply after Monday's market holiday. Brokers said local investors desperate to get out of the market cashed in on Friday's rebound.

The rally in Tokyo failed to spark much elation. "Today we saw a gradual improvement in the atmosphere of the market," said Toranobu Sugai, a senior trader at Shearson Lehman Hutton Asia.

"But it's a limited rebound. I see the Nikkei moving in a box between 25,000 and 30,000," he added.

■ Japan Circuit Breakers

Japan's four biggest securities firms submitted a request to the Tokyo Stock Exchange on Tuesday outlining various proposals to cushion the impact of falling stock prices, Agence France-Presse reported from Tokyo.

Officials said the measures focused on arbitrage trading between stocks and so-called derivative instruments such as stock-index futures and options as well as the amount of collateral required for margin trading.

The four firms also called for the introduction of "circuit-breaking" measures which would temporarily suspend trading in stocks if prices moved beyond a certain range.

Philippines To Relaunch Debt Swaps

Reuters

MANILA — The Philippines will resume its debt-to-equity conversion program in the fourth quarter of this year with an auction of $67.5 million worth of loans, the central bank governor, Jose Cuisia, said Tuesday.

The bank plans to hold similar auctions every quarter, selling a total of $270 million in debt a year — slightly less than the $300 million a year originally proposed, Mr. Cuisia said.

The debt-to-equity swap is one of the measures used by the government to help reduce its $26 billion foreign debt and at the same time attract foreign investors into the country.

The debt-conversion program was introduced in 1986 but suspended in 1988 because of inflation worries.

Japanese Traders Cautiously Return to Vietnam

Reuters

TOKYO — Japanese traders and investors, sensing gradual thawing in Vietnam's relations with the West, are making a cautious return to the country after 15 years.

Vietnam has been left virtually untouched by the flood of investment from Japan that has been pouring into Southeast Asia, especially after the Plaza Accord in 1985 that revalued the yen and made overseas production much more attractive.

The Communist takeover of South Vietnam in 1975 was followed by a U.S. economic boycott to protest Vietnam's invasion of Cambodia in 1979.

That made Japanese companies reluctant to invest, an attitude the government encouraged. But the climate is slowly changing, said a spokesman for the trading firm Toyomenka Kaisha Ltd., which is building a glue factory in Vietnam.

"It has become easier to start business in Vietnam with less foreign pressure. The economy is revitalizing. Labor costs are cheap and raw materials plentiful," the spokesman said.

The United States helped the trend when, in a major policy shift, Secretary of State James A. Baker 3d announced that his country would start direct talks with Vietnam on ending the civil war in Cambodia.

The move was widely welcomed by Japanese trading firms.

Fears that Communist Khmer Rouge guerrillas could regain power in Cambodia have caused a reassessment of Vietnam's role as a force needed to form a more widely based government.

In dealing with Vietnam, most Japanese businesses have used front companies and concealed their own names. But as the political climate improves, more and more are throwing off the disguise.

"We decided to open our own offices in Vietnam since it is easier to do business on our own rather than through front firms," said a spokesman for the trading firm Kanematsu Corp.

The company has applied to the Vietnamese government to open offices in Hanoi and Ho Chi Minh City.

Last October, Meiwa Trading Co., a Mitsubishi Group affiliate, set up offices in those cities, a spokesman said.

> **'There's a lot less risk involved in investing in Vietnam nowadays.'**
> **Meiwa Trading Co.**

Meiwa has been exporting 40,000 to 60,000 tons a year of anthracite coal from Vietnam since 1955 to Japan, South Korea and other Asian countries.

Meiwa is planning to export rice from Vietnam and other Asian countries to Latin America.

Vietnam is the world's third-largest exporter of rice, shipping 1.4 million tons, the Meiwa spokesman said.

"Vietnam welcomes foreign investment," the Meiwa spokesman said. "There's a lot less risk involved in investing in Vietnam nowadays. The country is rich in natural resources like coal and oil." It also has abundant supplies of lumber and farm products.

Official Vietnamese figures in May showed Japan as the fourth-largest foreign investor, with $71 million in six projects, after France, Britain and Belgium.

This month, a plant partly owned by a fertilizer distributor, Nakamura & Co., and Daimaru Kogyo Ltd., a subsidiary of the Japanese department store Daimaru Inc., will start to produce fertilizer from cattle bones.

"We have been importing fertilizers mainly from China and Thailand," a Daimaru Kogyo spokesman said, "but they couldn't always provide a stable supply."

Fuji Bank May Raise Stake in Tokyo Sowa

Reuters

TOKYO — Fuji Bank Ltd. said Tuesday that it was considering buying more shares of Tokyo Sowa Bank Ltd., a regional bank that operates 101 branches in and around Tokyo.

Fuji Bank now owns 1.3 percent of the outstanding shares of Tokyo Sowa Bank and one of Tokyo Sowa's senior managing directors comes from Fuji.

The message is in the bottle.

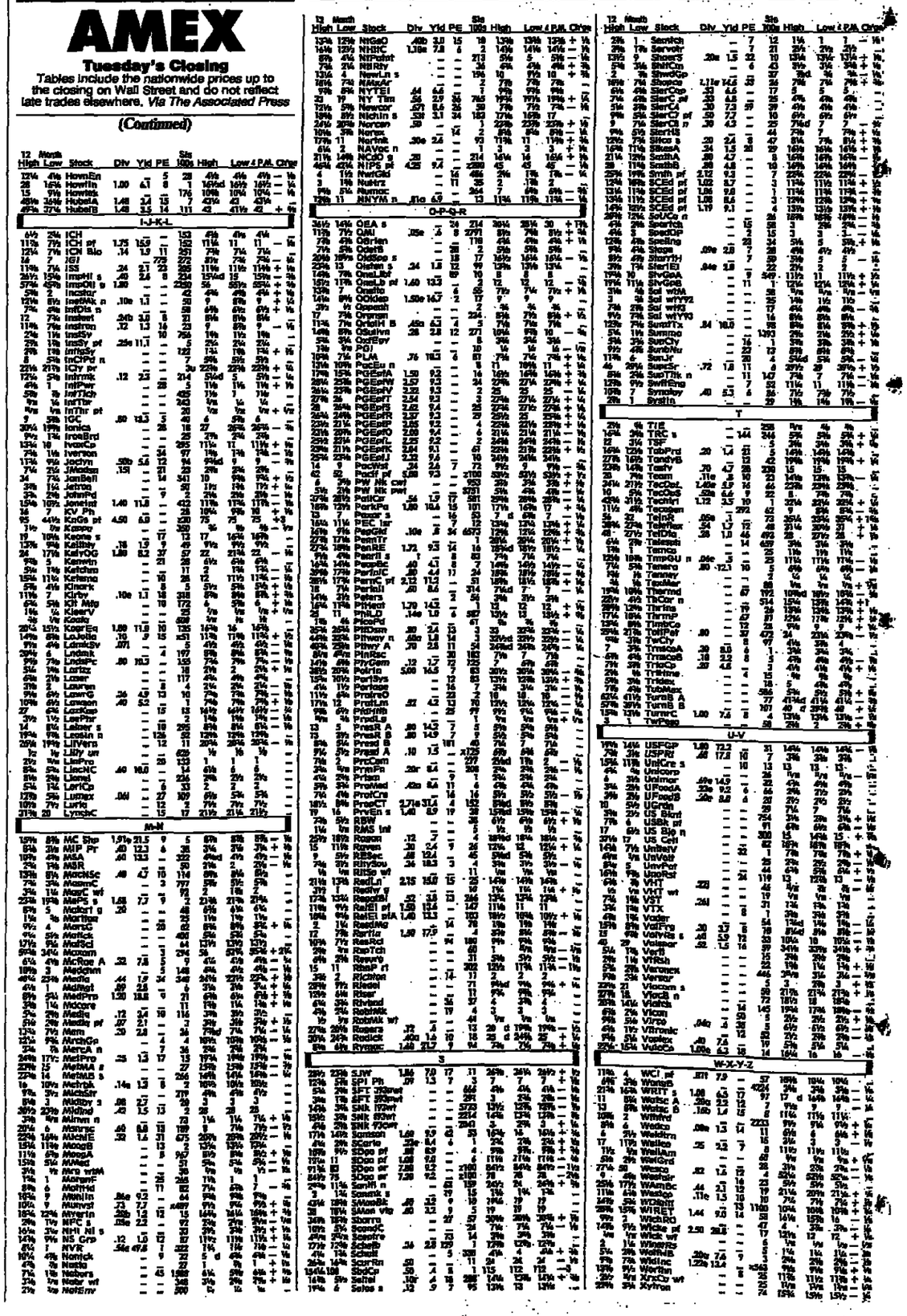
When you make a great beer, you don't have to make a great fuss.

AMEX

Tuesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

(Continued)



MARKET DIARY

Dow Edges Higher In Light Trading

United Press International

NEW YORK — Stocks closed slightly higher in continued thin trading Tuesday as cautious investors stayed on the sidelines, keeping an eye on developments in the Middle East.

The Dow Jones industrial average, which ran up 30.20 points Monday, rose an additional 0.99 to 2,747.77.

Advances led declines by a margin of 4 to 3.

Among broad market gauges, the New York Stock Exchange composite index rose 0.53 to 186.16. Standard & Poor's 500-stock index was up 0.55 to 339.39.

Volume amounted to 130.3 million shares, up from the sparse 122.8 million traded Monday, the lowest since the Aug. 2 Iraqi invasion of Kuwait.

"The light volume had a lot to do with the uncertainty overseas," said Peter Vandenberg, senior vice president of trading at Lehman Brothers. "People are so cautious and unwilling to commit either way until there's some kind of resolution to the overseas problem."

Philip Morris was the most active NYSE issue, up ¼ to 46¾. Boeing followed, down ⅜ to 52. IBM was third, up ⅝ to 104½.

Oil stocks were mostly lower.

Among the blue chips, General Electric lost ½ to 67, American Express lost ⅜ to 27 but General Motors was up ¾ to 40¼.

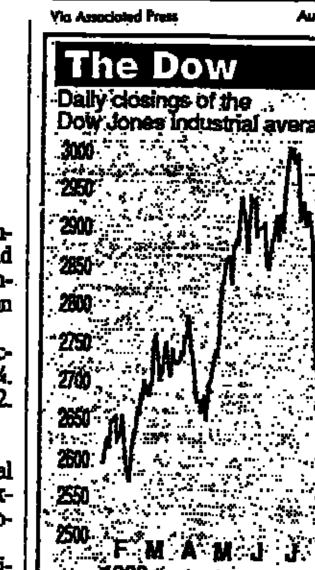
Prices were higher on the American Stock Exchange.

■ European Markets Mixed

European stock markets turned in a mixed performance on Tuesday with London and Frankfurt shares rising and Paris shares falling further, Reuters reported. In London, the FTSE-100 rose 14.5 points to 2,234.0. In Frankfurt, the 30-share DAX index ended 9.00 points higher at 1,715.05. The Paris CAC-40 index fell 8.98 points to 1,712.03.

N.Y. Stocks

Via Associated Press Aug. 14



IHT

NYSE Most Actives

	Vol.	High	Low	Last	Chg.
PhilMr s	17203	47	46¼	46¾	+¼
Boeing s	16769	53½	52	52	—⅜
IBM	14549	105⅛	103⅞	104½	+⅝
AMD	15287	6⅛	5⅞	6	+¼
EKodak	14874	43¼	42½	42⅝	—⅛
GenEl	14865	68⅛	66¼	67	—½
Unitel s	12585	26⅝	25⅞	26¼	—⅛
GBM n	12280	6⅝	6⅛	6¼	+⅛
AT&T	11818	35¼	34⅝	35⅛	+⅛
TexUtil	11589	36¼	35⅝	36¼	+⅝
JohnJn	11104	68⅛	66⅜	67⅝	+⅞
BrMySq	10867	61⅜	60½	61½	—⅛
WalMt s	10811	30⅞	30¼	30⅝	+¼
GnMotr	10174	40¼	39¾	40¼	+¾
Upjohn	10169	40⅝	39¼	40¼	+1⅛

AMEX Most Actives

	Vol.	High	Low	Last	Chg.
ENSCO	10327	5⅛	4⅞	5	+⅛
Coron g	10029	7	6⅝	6¾	
PegGld	6573	12⅝	12¼	12⅜	+⅛
SNE 193wt	5723	13½	12⅞	12⅞	—⅜
CoetAir	5617	6	5⅝	5⅝	—⅜
EchoBy	5154	14¼	14	14⅛	—¼
DowC rt	5145	7½	6⅞	6⅞	—⅛
WangB	4224	3⅝	3⅜	3⅜	—⅛
PW Nk pwt	3751	5⅛	4⅞	4⅞	—⅛
Dk Nk wt	3480	14⅛	13⅞	14	—⅜
Amdhl	3290	13	12⅝	13	+⅛
OMI	2791	8½	7⅝	8½	+⅝
FruitL	2720	11½	11¼	11½	+⅛
EksNk wt	2628	5⅝	5⅛	5¼	—⅛
ImpOil g	2250	56	55½	55¾	+⅛

NYSE Diary

	Close	Prev.
Advanced	850	726
Declined	636	766
Unchanged	501	479
Total issues	1987	1971
New Highs	19	10
New Lows	182	159

Amex Diary

	Close	Prev.
Advanced	318	133
Declined	284	315
Unchanged	229	207
Total Issues	833	655
New Highs	4	8
New Lows	51	49

NASDAQ Diary

	Close	Prev.
Advanced	1,114	799
Declined	809	1,143
Unchanged	2,354	2,337
Total Issues	4,277	4,279

Dow Jones Averages

	Open	High	Low	Last	Chg.
Indus	2739.60	2773.02	2720.54	2747.77	+ 0.99
Trans	979.01	996.53	959.85	967.70	— 11.13
Util	203.97	205.55	202.78	204.48	+ 0.51
Comp	955.19	967.62	945.44	954.17	— 2.38

Standard & Poor's Indexes

	High	Low	Close	Ch'ge
Industrials	402.69	398.16	400.84	+0.78
Transp.	248.03	244.97	245.36	—0.05
Utilities	136.42	135.01	135.77	—0.03
Finance	25.87	25.58	25.78	+0.04
SP 500	340.96	337.19	339.39	+0.55
SP 100	323.33	321.56	323.65	+0.34

NYSE Indexes

	High	Low	Close	Ch'ge
Composite	186.51	185.02	186.10	+0.47
Industrials	232.95	231.53	232.60	+0.48
Transp.	152.05	150.93	150.93	—0.03
Utilities	87.86	87.41	87.70	+0.10
Finance	132.03	131.43	131.93	+0.31

NASDAQ Indexes

	Close	Ch'ge	Week Ago	Month Ago
Composite	410.33	+2.03	402.08	464.48
Industrials	440.48	+1.85	429.01	504.66
Finance	398.65	+0.33	397.41	440.03
Insurance	471.10	+0.13	462.47	511.06
Utilities	568.91	+11.8	553.10	642.10
Banks	298.69	—0.14	298.51	336.05
Transp.	446.51	—1.01	444.59	497.21

AMEX Stock Index

High	Low	Close	Ch'ge
339.98	337.99	339.94	+1.94

Dow Jones Bond Averages

	Close	Ch'ge
20 Bonds	90.55	+0.01
10 Utilities	91.81	+0.01
10 Industrials	89.29	Unch.

Market Sales

NYSE 4 p.m. volume	130,320,000
NYSE prev. cons. close	157,187,100
Amex 4 p.m. volume	15,770,000
Amex prev. cons. close	9,498,000
NASDAQ 4 p.m. volume	107,488,700
NASDAQ prev. 4 p.m. volume	87,438,300
NYSE volume up	66,434,170
NYSE volume down	46,321,490
Amex volume up	8,204,330
Amex volume down	5,353,450
NASDAQ volume up	45,455,937
NASDAQ volume down	35,387,400

N.Y.S.E. Odd-Lot Trading

	Buy	Sales	*Sh'rt
Aug. 13	352,718	510,029	40,750
Aug. 10	427,957	564,390	98,915
Aug. 9	447,888	504,092	71,483
Aug. 8	561,481	575,549	67,528
Aug. 7	667,958	714,285	53,476

*Included in the sales figures

S&P 100 Index Options

Aug. 14

Strike Price	Calls-Last Aug	Sep	Oct	Nov	Puts-Last Aug	Sep	Oct	Nov
300	25¼	—	—	—	⅛	3	4⅞	6½
305	19⅝	—	—	—	⅛	3⅝	5½	—
310	14	19⅝	—	—	⅛	4⅝	6⅝	8½
315	9⅞	17	—	—	⅝	5⅞	8⅛	—
320	4⅞	11⅝	16	17⅝	1⅞	7⅞	8⅝	11½
325	1⅝	8½	12	—	3⅜	8¾	10⅝	—
330	⅝	5⅝	9½	11⅛	6⅞	11¼	13⅝	15⅛
335	⅛	3½	6⅝	—	11⅝	13⅝	15	—
340	⅛	2⅜	4⅝	6⅝	16½	17½	18¾	20½
345	⅛	1⅛	3⅜	—	21½	22	22½	—
350	⅛	⅝	2⅛	—	26½	26½	26⅞	—
355	1/16	⅜	1⅛	—	31	30¾	—	—
360	1/16	⅛	.16	1½	36⅛	—	—	—
365	1/16	⅛	⅛	—	—	—	—	—

Calls: total vol. 128,090 ; total open int. 513,826
Puts: total vol. 126,195 ; total open int. 428,765
Source: CBOE.

Currency Options

Aug. 14

PHILADELPHIA EXCHANGE

Option & Underlying	Strike Price	Calls—Last Aug	Sep	Dec	Puts—Last Aug	Sep	Dec
50,000 Australian Dollars-cents per unit.							
Dollr	75	s	r	r	s	0.02	r
80.59	77	s	r	r	s	0.10	r
80.59	78	s	r	r	s	0.20	r
80.59	79	s	1.49	r	s	0.39	r
80.59	80	s	1.02	r	s	r	r
80.59	81	s	r	1.12	s	r	r
80.59	82	s	0.31	r	s	r	
500,000 Australian Dollars-European Style.							
80.59	75	s	r	r	s	r	0.42
31,250 British Pounds-cents per unit.							
Pound	167½	s	r	21	s	r	r
189.95	170	s	r	r	s	r	0.52
189.95	177½	s	r	r	s	r	1.73
189.95	180	s	r	r	s	0.30	2.50
189.95	182½	s	6.12	r	s	0.58	r
189.95	185	s	4.82	r	s	1.20	4.53
189.95	187½	s	3.22	r	s	2.00	6.27
189.95	190	s	2.00	r	s	3.30	7.00
189.95	192½	s	0.82	r	s	r	
50,000 Canadian Dollars-cents per unit.							
Dollr	84	s	r	r	s	r	0.31
87.34	84½	s	r	2.85	s	r	r
87.34	85	s	r	2.24	s	r	r
87.34	86	s	r	r	s	r	1.00
87.34	86½	s	r	r	s	r	1.27
87.34	87	s	0.38	r	s	r	
50,000 Canadian Dollars-European Style.							
Dollar	85½	s	1.40	r	s	r	
62,500 West German Marks-cents per unit.							
Mark	56	s	7.75	r	s	r	r
63.88	58	s	r	r	s	r	0.16
63.88	59	s	r	r	s	r	0.28
63.88	60	s	3.75	r	s	r	r
63.88	61	s	r	r	s	0.12	r
63.88	62	s	2.06	r	s	0.22	r
63.88	62½	s	r	r	s	0.37	
63.88	63	s	1.33	r	s	0.45	r
63.88	63½	s	0.76	s	s	r	
63.88	64	s	0.71	r	s	0.88	r
63.88	65	s	0.43	1.10	s	r	
6.25 mil Yen-100ths of a cent per unit.							
Yen	63	s	r	r	s	r	0.29
67.14	65	s	r	r	s	0.17	r
67.14	66	s	r	r	s	0.44	r
67.14	66½	s	r	s	s	0.47	
67.14	67½	s	0.50	s	s	r	
67.14	68	s	0.43	r	s	1.40	r
67.14	69	s	0.21	r	s	r	r
67.14	70	s	0.11	0.41	s	r	r
67.14	71	s	0.03	0.24	s	r	r
67.14	72	s	r	0.18	s	r	
62,500 Swiss Francs-cents per unit.							
Franc	69	s	r	7.66	s	r	r
76.72	72	s	r	r	s	r	0.70
76.72	72½	s	r	s	s	0.15	
76.72	73½	s	r	s	s	0.23	
76.72	74	s	r	r	s	0.30	r
76.72	75	s	2.12	r	s	r	1.48
76.72	76	s	1.49	2.23	s	1.09	r
76.72	77	s	0.96	1.77	s	r	r
76.72	78	r	0.42	r	r	r	
62,500 Swiss Francs-European Style.							
76.72	78	r	0.40	r	r	r	

Total call vol. 23,847 Call open int. 284,728
Total put vol. 28,727 Put open int. 311,081
r—Not traded. s—No option offered.
Last is premium (purchase price).

Spot Commodities

Commodity	Today	Prev.
Aluminum, lb	0.785	0.785
Coffee, lb	0.78	0.77
Copper electrolytic, lb	1.445	1.445
Iron FOB, ton	213.00	213.00
Lead, lb	0.50	0.50
Silver, troy oz	5.22	5.14
Steel (billets), ton	473.00	473.00
Steel (scrap), ton	108.00	108.00
Tin, lb	3.9131	3.9127
Zinc, lb	0.81	0.81

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European Commodities

	Close Bid	Close Ask	High	Low	Previous Bid	Previous Ask
LONDON SUGAR, U.S. Dollars per metric ton						
Oct	242.60	243.00	247.00	234.60	236.00	236.20
Dec	236.20	250.00	225.00	225.00	230.00	250.00
Mar	235.80	236.00	239.40	229.00	230.20	230.60
May	236.20	236.60	235.60	231.00	230.40	230.60
Aug	238.00	238.40	232.00	232.00	231.00	233.60
Oct	238.00	238.80	232.00	232.00	230.00	234.60
Dec	221.00	240.00	N.T.	N.T.	225.00	235.00
Volume: 1,886 lots of 50 tons.						
LONDON COCOA, Sterling per metric ton						
Sep	623	624	649	620	642	644
Dec	661	662	688	660	680	681
Mar	693	694	720	690	714	715
May	715	717	739	717	737	738
Jul	736	737	756	734	758	759
Sep	755	756	778	755	778	782
Dec	783	787	808	789	805	810
Volume: 1,115 lots of 10 tons.						
LONDON COFFEE, Sterling per metric ton						
Sep	573	574	584	573	569	570
Nov	596	597	608	595	593	594
Jan	618	619	625	617	610	612
Mar	633	634	640	632	625	626
May	649	650	653	650	640	645
Jul	666	667	670	665	652	659
Sep	683	688	685	685	670	685
Volume: 5,270 lots of 5 tons.						
LONDON GASOIL, U.S. dollars per metric ton						
Sep	229.75	230.00	233.00	228.50	226.75	227.00
Oct	230.00	230.25	233.50	229.00	227.25	227.50
Nov	N.A.	230.00	232.75	229.00	226.50	227.00
Dec	N.A.	229.75	232.50	228.50	225.75	226.00
Jan	224.00	225.00	229.50	225.00	221.50	222.00
Feb	219.00	N.A.	222.00	216.00	212.50	N.A.
Mar	209.00	N.A.	209.00	206.50	N.A.	N.A.
Apr	202.00	N.A.	205.50	200.00	195.75	196.25
May	198.00	N.A.	N.A.	N.A.	193.00	195.00
Volume: 9,021 lots of 100 tons.						

PARIS SUGAR, French francs per metric ton	High	Low	Close Bid	Ask	Ch'ge
Oct	1,669	1,635	1,660	1,670	+28
Dec	1,610	1,600	1,615	1,635	+27
Mar	1,625	1,615	1,630	1,650	+28
May	N.T.	N.T.	1,635	1,655	+38
Aug	N.T.	N.T.	1,670	1,695	+33
Oct	N.T.	N.T.	1,635	1,658	+27

Est. vol.: 3,926 lots of 50 tons. Prev. actual sales: 485 lots. Open interest: 15,365.

Sources: Paris Bourse du Commerce, London Petroleum Exchange, Reuters.

Dividends

Company	Per	Amt	Pay	Rec
INCREASED				
Marion Merrell Dow	Q	.20	10-19	9-20
USUAL				
ABS Industries	Q	.08	10-1	9-14
BEI Electronics	Q	.02	9-3	8-24
Baldor Electric	Q	.12	9-28	9-10
Barnwell Indus	Q	.07½	9-19	8-5
Broadway Financial	Q	.12	9-17	8-31
Cabot Corp	Q	.26	9-7	8-24
FPL Group	Q	.59	9-17	8-31
Fair Isaac & Co	S	.05	9-6	8-25
First Illinois	Q	.11	9-15	9-1
First Nrthrn Svgs	Q	.17	9-14	8-29
Harnischfeger Ind	Q	.05	10-8	9-24
LSI Industries	A	.05	9-14	8-31
Minn Mining & Mfg	Q	.73	9-12	8-24
Morton Intl	Q	.22	9-10	8-27
Trico Products	Q	.25	9-24	9-7

a-annual; m-monthly; q-quarterly; s-semi-annual
Source: UPI.

London Metals

	Close Bid	Close Ask	Previous Bid	Previous Ask
ALUMINUM (High Grade), Dollars per metric ton				
Spot	1800.00	1801.00	1809.00	1810.00
Forward	1820.00	1821.00	1828.00	1829.00
COPPER CATHODES (High Grade), Sterling per metric ton				
Spot	1559.00	1560.00	1582.00	1583.00
Forward	1524½	1525½	1535.00	1536.00
LEAD, Sterling per metric ton				
Spot	449.00	450.00	453.00	455.00
Forward	457½	458.00	459.00	460.00
NICKEL, Dollars per metric ton				
Spot	10850.00	10900.00	11000.00	11050.00
Forward	10425.00	10450.00	10500.00	10525.00
TIN, Dollars per metric ton				
Spot	6000.00	6010.00	6025.00	6035.00
Forward	6130.00	6140.00	6145.00	6155.00
ZINC (Special High Grade), Dollars per metric ton				
Spot	1601.00	1602.00	1623.00	1625.00
Forward	1530.00	1532.00	1540.00	1542.00

Dollar Hits Low Point Against Mark in U.S.

Reuters

NEW YORK — The dollar dipped Tuesday to a record low against the Deutsche mark in afternoon trading here, but had recovered slightly by the close.

The U.S. currency briefly sold at 1.5615 DM, breaching the previous low of 1.5620 DM of Jan. 4, 1988. It recovered to close at 1.5650, down from Monday's 1.5760.

Foreign Exchange

Trading was exceptionally thin, dealers said, and the dollar had drifted down throughout the afternoon. It seemed to be pressured by continuing poor reports on the U.S. economy, they said.

The dollar dropped sharply to 148.83 yen, from Monday's 150.38.

It set a 10-year low against the Canadian dollar, closing at 1.1441, down down from Monday's 1.1463 despite a half-point prime rate cut by the Bank of Montreal.

"We will see continued movement to the high-yield currencies," said John McCarthy, vice president at Amsterdam-Rotterdam Bank NV.

The pound, another high-yielding currency, rose to $1.8970 from $1.8830 on Monday.

The Swiss franc closed at 1.3039 after Monday's 1.3155 and the French franc was 5.2560 after Monday's 5.2963.

In London, the dollar eased to its lowest closing in Europe against the Deutsche mark, ending the session at 1.5685 DM.

It closed at 149.65 Japanese yen after Monday's 150.35.

The pound rose more than one cent against the dollar, to $1.8945 from $1.8840.

The dollar, which finished on Monday at 1.5745 DM, held steady for most of the day in quiet trading in the absence of fresh news.

U.S./AT THE CLOSE

Penney's Quarterly Profit Falls 15%

DALLAS (UPI) — J.C. Penney Co. reported Tuesday second-quarter earnings of $83 million, or 63 cents a share, down from $98 million, or 74 cents a share, in the same period of last year.

Penney's chairman, William Howell, said the 15 percent decline in earnings resulted from lower consumer demand. He said the slowdown in economic activity had a particularly negative impact on sales in the Southeast and Middle West. "In addition, as we bring our merchandise in line with an appropriate department store mix, we are temporarily giving up some volume in conservative women's sportswear," he said.

J.C. Penney store and catalog gross margins in the second quarter were on a par with those of the period a year ago. That was more than offset by lower margins from drugstore operations and custom-decorating services.

Midway Shares Climb on Bid Rumors

FORT WORTH, Texas (AP) — Speculation that American Airlines may be interested in acquiring Midway Airlines has pushed Chicago-based Midway's stock up almost 40 percent.

Midway's shares closed at $9.125 on the New York Stock Exchange on Tuesday, up $1.625 from Friday although 50 cents off Monday's close. Dealers said there is speculation that Fort Worth-based AMR Corp. is considering making a bid for the cash-strapped Midway.

Quoting unnamed sources, the Fort Worth Star-Telegram reported Monday that AMR recently hired Goldman Sachs & Co. to advise it on the possible acquisition of all or parts of Midway.

Profit Report Boosts Chiron Shares

NEW YORK (Reuters) — Chiron Corp. shares gained after the health-care products firm reported Tuesday record earnings in the second quarter.

Chiron reported a profit of 20 cents per share in the second quarter, compared with a loss of 30 cents a share a year earlier. Following the announcement, Chiron shares advanced to close with an increase of $1.25 at $39.50 on the over-the-counter market.

Robert Kupor, an analyst at Kidder Peabody & Co., said the company's first-ever profit reflected the success of the company's diagnostic test for Hepatitis C.

Weinberg to Retire as Goldman Chief

NEW YORK (AP) — John L. Weinberg said Tuesday he plans to retire after 14 years as senior partner and chairman of the management committee at Goldman Sachs & Co.

Mr. Weinberg, 65, will step down at the end of the firm's financial year, on Nov. 30. The firm said its vice chairmen for the past three years, Robert E. Rubin and Stephen Friedman, will become senior partners and co-chairmen of the management committee.

Goldman Sachs is one of the last major privately held investment firms on Wall Street and has about 6,400 employees worldwide.

Columbia Thrift Posts Major Loss

LOS ANGELES (UPI) — Columbia Savings & Loan, already reeling from huge losses in its junk-bond portfolio, disclosed Tuesday that it had a loss of $136.5 million in the second quarter, heightening the possibility that the government will step in.

Columbia earned $6.4 million in the same quarter a year ago.

Once among the most profitable U.S. thrifts, Columbia has been operating under strict limitations since December after the junk-bond market collapsed. The 24-branch organization had losses of $591 million last year and has now posted losses of $429.9 million in the first six months.

Coal Group Says Law Threatens Jobs

WASHINGTON (Reuters) — The U.S. coal industry released Tuesday a report by two Pennsylvania State University professors that projects a loss of nearly 240,000 jobs as a result of new clean-air legislation pending in Congress.

The National Coal Association president, Richard Lawson, citing the uncertainties in the Middle East, said the United States should be promoting domestic energy resources such as coal.

Midi Bought Stake In Galeries Lafayette

Reuters

PARIS — Compagnie du Midi said Tuesday that it bought the 10.3 percent stake in the retailer Galeries Lafayette that Brierley Investments Ltd. sold Friday for 241 million francs ($46 million).

"It's a long-term investment," said Bernard Robin, a Midi director. "We're going about our normal business as investors."

Kuwaitis Put $1 Billion in West This Year

Reuters

BASEL — Kuwaitis placed more than $1 billion with major Western banks in the first quarter this year, boosting the emirate's wealth on deposit in the West to more than $17 billion, the Bank for International Settlements said in a report for release Wednesday.

Commercial banks in major industrialized democracies and offshore financial centers told the BIS that Kuwaiti deposits rose by $1.32 billion in the first three months of this year to stand at $17.59 billion at the end of March.

The BIS, which acts as a central bank for the world's central banks, monitors Western banks' foreign assets and liabilities. Its figures exclude deposits in Gulf states.

Iraq, whose arms buildup and long war with Iran made it one of the world's most indebted countries, had $3.27 billion on deposit in the West, up $224 million from the end of last year, the BIS said.

■ Saudis Aid Bank System

The Saudi Arabian Monetary Agency stepped in Tuesday to help its banking system, which has been besieged by calls for cash from worried depositors since Iraq invaded Kuwait, Reuters reported from Dubai.

Dealers in the kingdom said the central bank had made it easier for banks to get funds by allowing them to use a greater percentage of government bond holdings as security to borrow.

U.S. FUTURES

Via Associated Press Aug. 14

Season High	Season Low		Open	High	Low	Close	Chg.
Livestock							
CATTLE (CME) 40,000 lbs.- cents per lb.							
79.42	69.12	Aug				78.80	—.40
79.10	68.30	Oct				77.87	—.83
78.12	71.00	Dec				76.42	—.53
77.80	72.50	Feb				75.77	—.48
78.05	74.15	Apr				76.27	—.38
75.45	72.62	Jun				74.20	+.90
73.80	72.27	Aug				72.90	—.40
Est. Sales 15,024 Prev. Sales 9,938							
Prev. Day Open Int. 67,252 off 614							
FEEDER CATTLE (CME) 44,000 lbs.- cents per lb.							
90.35	78.50	Aug				89.95	—.17
88.85	78.00	Sep				87.77	+.45
87.82	78.20	Oct				86.32	—.78
87.73	79.00	Nov				86.15	—.80
87.15	79.75	Jan				85.70	—.60
85.60	80.90	Mar				84.55	—.30
84.85	81.20	Apr				84.00	—.10
83.50	81.10	May				83.20	—.15
Est. Sales 856 Prev. Sales 1,304							
Prev. Day Open Int. 11,659 off 31							
HOGS (CME) 30,000 lbs.- cents per lb.							
63.42	43.70	Aug				56.82	—1.48
55.70	40.80	Oct				49.60	—.52
55.45	44.25	Dec				50	—49.82
52.95	45.25	Feb				48.20	—.17
48.80	44.05	Apr				44.27	—.28
51.85	48.25	Jun				48.55	—.25
51.00	48.55	Jul				48.90	—.22
48.80	47.10	Aug				47.00	
Est. Sales 11,107 Prev. Sales 6,490							
Prev. Day Open Int. 32,341 off 569							
PORK BELLIES (CME) 40,000 lbs.- cents per lb.							
69.15	39.30	Aug				50.82	+1.92
63.46	48.07	Feb				54.20	+1.90
62.95	49.20	Mar				54.20	+1.90
63.00	49.50	May				54.40	+1.80
57.25	53.30	Jul				54.80	
Est. Sales 3,518 Prev. Sales 2,854							
Prev. Day Open Int. 6,171 up 347							
Food							
COFFEE C (NYCSCE) 37,500 lbs.- cents per lb.							
120.00	77.25	Sep				94.65	—.95
109.50	81.00	Dec				98.20	—1.30
116.75	83.00	Mar				101.35	—1.15
123.00	91.25	May				103.30	—.95
110.00	92.75	Jul				105.50	—.35
108.90	97.50	Sep				106.75	—1.75
110.10	86.90	Dec				109.90	—1.10
Est. Sales 11,170 Prev. Sales							
Prev. Day Open Int.							
SUGARWORLD 11 (NYCSCE) 112,000 lbs.- cents per lb.							
16.13	9.78	Oct				10.78	+.29
15.22	9.73	Mar				10.65	+.27
15.05	9.80	May				10.64	+.25
14.90	9.88	Jul				10.65	+.26
14.40	.72	Oct				10.75	+.25
Est. Sales 21,592 Prev. Sales							
Prev. Day Open Int.							
COCOA (NYCSCE) 10 metric tons-$ per ton							
1541	941	Sep				1043	—32
1558	965	Dec				1113	—36
1581	985	Mar				1162	—30
1572	1000	May				1195	—30
1590	1060	Jul				1225	—30
1515	1290	Sep				1251	—30
1475	1340	Dec				1281	—30
Est. Sales 7,751 Prev. Sales							
Prev. Day Open Int.							

Season High	Season Low		Open	High	Low	Close	Chg.
ORANGE JUICE (NYCE) 15,000 lbs.- cents per lb.							
202.00	123.50	Sep				180.50	+1.00
199.50	124.00	Nov				169.00	
191.00	125.00	Jan				164.50	+.50
190.50	156.00	Mar				164.05	+.55
190.00	157.00	May				163.55	
180.00	162.00	Jul				163.55	
Est. Sales Prev. Sales							
Prev. Day Open Int.							
Metals							
HI GRADE COPPER 25,000 lbs.- cents per lb.							
134.20	95.00	Aug				134.00	+1.50
134.30	92.50	Sep				132.85	+1.85
130.70	94.50	Oct				129.85	+1.85
126.75	94.50	Nov				127.30	+1.95
125.20	91.50	Dec				123.95	+1.05
121.50	94.00	Jan				121.85	+1.25
115.30	99.50	Feb				118.40	+1.45
117.90	92.30	Mar				117.05	+1.65
115.50	99.85	Apr				115.10	+1.48
114.00	97.00	May				113.15	+1.15
108.20	102.30	Jun				111.55	+1.35
110.30	96.50	Jul				109.95	+1.35
104.40	95.50	Sep				107.75	+1.15
106.10	94.50	Dec				105.25	+1.15
99.25	96.00	Mar				102.85	+1.15
		May				101.85	+1.15
Est.Sales 7,200 Prev.Sales Prev.Day Open Int. Chg. unch							
ALUMINUM (COMEX) 40,000 lbs.- cents per lb.							
75.00	75.00	Aug				78.50	
76.00	73.20	Sep				80.00	+79.20
Est. Sales Prev. Sales							
Prev. Day Open Int.							
SILVER (COMEX) 5,000 troy oz.- cents per troy oz.							
514.5	477.0	Aug				519.1	+22.2
760.0	481.0	Sep				521.5	+22.1
504.0	496.0	Oct				527.4	+24.3
742.0	492.0	Dec				533.2	+23.0
688.0	499.8	Jan				535.6	+22.1
665.0	502.5	Mar				544.0	+23.5
647.0	510.0	May				551.4	+23.8
667.5	516.5	Jul				559.1	+24.1
654.0	524.0	Sep				567.2	+24.3
623.5	535.0	Dec				578.9	+24.8
596.0	546.0	Jan				582.3	+24.9
613.0	548.0	Mar				591.3	+25.3
Est. Sales 25,000 Prev. Sales							
Prev. Day Open Int.							
PLATINUM (NYME) 50 troy oz.- dollars per troy oz.							
500.00	470.00	Aug				496.50	—3.50
560.50	472.50	Oct				502.50	—3.50
551.00	477.60	Jan				508.20	—3.80
554.50	485.50	Apr				513.80	—5.70
513.00	506.00	Oct				524.80	
Est. Sales Prev. Sales							
Prev. Day Open Int.							
PALLADIUM (NYME) 100 troy oz- dollars per oz							
149.50	111.65	Sep				116.70	—1.05
147.00	113.00	Dec				118.40	—1.35
142.00	115.95	Mar				119.90	
125.25	117.50	Jun				122.00	
Est. Sales Prev. Sales							
Prev. Day Open Int.							
GOLD (COMEX) 100 troy oz.- dollars per troy oz.							
487.00	348.20	Aug				404.80	+7.90
387.00	356.50	Sep				406.70	+7.80
472.00	352.50	Oct				409.20	+8.00
455.50	357.00	Dec				414.00	+8.10
457.50	362.00	Feb				418.40	+8.10
460.00	366.20	Apr				422.50	+8.10
466.20	372.00	Jun				426.90	+8.10
468.00	375.00	Aug				431.10	+8.10
476.00	385.00	Oct				435.90	+8.10
483.00	385.50	Dec				440.70	+8.10
433.00	392.00	Feb				445.80	+8.10
429.50	396.50	Apr				450.70	+8.20
Est. Sales 70,000 Prev. Sales							
Prev. Day Open Int.							

Season High	Season Low		Open	High	Low	Close	Chg.
Industrials							
LUMBER (CME) 150,000 bd. ft.- $ per 1,000 bd. ft.							
207.10	187.10	Sep				191.80	+1.90
203.10	189.50	Nov				193.00	+1.80
205.50	186.30	Jan				198.60	+1.50
206.10	191.00	Mar				202.50	
206.60	196.50	May				204.50	
Est. Sales 571 Prev. Sales 263							
Prev. Day Open Int. 2,986 up 64							
COTTON 2 (NYCE) 50,000 lbs.- cents per lb.							
82.05	63.95	Oct				72.85	—2.00
77.00	62.80	Dec				68.83	—1.82
77.70	63.82	Mar				70.10	—1.65
77.40	64.40	May				70.86	—1.59
78.38	65.67	Jul				70.85	—1.47
72.85	67.70	Oct				68.70	—.70
69.10	66.40	Dec				67.50	—.28
Est. Sales 12,000 Prev. Sales							
Prev. Day Open Int.							

Commodity Indexes

	Close	Previous
Moody's	1,119.60 f	N.A.
Reuters	1,781.20	1,789.10
D.J. Futures	133.95	133.41
Com. Research	237.60	237.29

Moody's : base 100 : Dec. 31, 1931.
p - preliminary; f - final
Reuters : base 100 : Sep. 18, 1931.
Dow Jones : base 100 : Dec. 31, 1974.

Market Guide

CBT:	Chicago Board of Trade
CME:	Chicago Mercantile Exchange
IMM:	International Monetary Market Of Chicago Mercantile Exchange
NYCSCE:	New York Cocoa, Sugar, Coffee Exchange
NYCE:	New York Cotton Exchange
COMEX:	Commodity Exchange, New York
NYME:	New York Mercantile Exchange
KCBT:	Kansas City Board of Trade
NYFE:	New York Futures Exchange

To Our Readers

Due to Tuesday's power failure in lower Manhattan, many of the U.S. Futures quotations were unavailable at press time.

WORLD STOCK MARKETS

Agence France Presse Aug. 14

Amsterdam

	Close	Prev.
ABN Bank	33.30	33.70
ACF Holding	39	37.80
Aegon	114.40	114.50
Ahold	128.30	127.50
Akzo	107.20	106.70
AMEV	50.60	50
A'Dam Rubber	5.10	5.05
Amro Bank	64.70	64.90
Bols	174.50	176
Buhrmann Tett	64.80	65.40
BVG	21.50	21.50
Center Parcs	62	62
CSM	82.40	82.70
DAF	25	24.20
DSM	98.90	96.80
Elsevier	85	84.30
Fokker	45.70	45.90
Gist-Brocades	28.20	28
Heineken	119.20	120.80
Hoogovens	55.40	54.30
Hunter Douglas	78	80
IHC Caland	49	49.50
Inter Mueller	67	64
KLM	26.10	26
KNP	41	40.90
Nat Neder	65.40	64.80
Nedlloyd	59	58.10
NMB Postbank	43.40	43.40
Oce Grinten	51.40	51.70
Pakhoed	198.30	197.50
Philips	25.10	24.90
Robeco	92.10	92.40
Rodamco	75.50	75.30
Rolinco	90.20	90.30
Rorento	59	59
Royal Dutch	147.20	145.70
Unilever	147.30	146.40
Van Ommeren	37.20	36.90
VMF Stork	58.80	58.90
VNU	91.40	91.70
Wessanen	59.30	58.70
Wolters/Kluwer	49.40	49.10

CBS Gen'l Trend Index : 105.40
Previous : 105.30

Brussels

	Close	Prev.
AG Fin	8500	8310
Arbed	4400	4500
Barco	1908	1890
Bekaert	11500	11000
Cockerill	160	155
Cobepa	5300	5180
Delhaize	6080	6030
EBES	3950	3840
GB-Inno-BM	1326	1292
GBL	3625	3610
Gevaert	7940	7700
Hoboken	15050	15050
Intercom	3690	3640
Kredietbank	3835	3800
Petrofina	11250	11075
Royale Belge	5100	5020
Soc Gen Banque	4500	4500
Soc Gen Belgique	2935	2975
Sofina	12500	11500
Solvay	11675	11550
Tractebel	7910	7710
UCB	22450	22900
Unerg Ps	2150	2120

Current Stock Index : 5710.98
Previous : 5732.64

Frankfurt

	Close	Prev.
AEG	272.50	271.40
Allianz Hold	2445	2450
Altana	520	529.30
Asko	855	875
BASF	254	253.50
Bayer	258.60	255.50
Bay. Hypo bank	374	370.50
Bay Vereinsbk	395	395
BBC	825	880
BHF Bank	451	451
BMW	507	502
Commerzbank	275	273
Continental	307	305
Daimler Benz	754	745
Degussa	395.20	391
Dt Babcock	182	195.20
Deutsche Bank	729.50	727
Douglas	821	825
Dresdner Bank	410	402.50
Feldmuehle	496.50	495
Harpener	470	465
Henkel	588	595
Hochtief	1290	1300
Hoechst	252	258.50
Hoesch	293	296.10
Holzmann	1470	1435
Horten	260	261
IWKA	340	341
Kali Salz	230	240
Karstadt	672	674
Kaufhof	618.50	615
KHD	235	233
Kloeckner Werke	170	173
Krupp Stahl	332	346
Linde	902	910
Lufthansa	136	135
MAN	390	389
Mannesmann	296.50	296.30
Metallgesell	525	535
Munch Rueck	2562	2603
Nixdorf	305	301
PKI	522	517.50
Porsche	1035	1010
Preussag	371	374
PWA	257	259
RWE	416	417
Rheinmetall	378	381
Schering	725	712.20
SEL	385	385
Siemens	673.50	670
Thyssen	251.50	252
Varta	353	355
Veba	379	376.50
VEW	226.50	225
Viag	371	372.50
Volkswagen	533.90	530
Wella	735	743

DAX Index : 1715.85
Previous : 1706.85
FAZ Index : 727.45
Previous : 731.34

Helsinki

	Close	Prev.
Amer A	130	120
Enso-Gutzeit	29	30
K.O.P.	44.20	45
Kymmene	81	81
Nokia	92.60	92.60
Pohjola	150	150
Stockmann	198	200
United Papers	145	142
Wartsila	370	370

Unitas Index : 528.10
Previous : 537.50

Hong Kong

	Close	Prev.
Bk East Asia	14.20	14.10
Cathay Pacific	8.40	8.30
Cavendish Int'l	3.68	3.63
Cheung Kong	11.70	11.50
China Light Pwr	13.80	13.80
Dairy Farm Int'l	9.45	9.58
Hang Lung Dev	5.10	5
Hang Seng Bank	20.50	20.50
Henderson Land	7.65	7.70
HK Air Eng.	18.20	18.10
HK China Gas	10.70	10.70
HK Electric	8.70	8.65
HK Land	7.90	7.85
HK Realty Trust	4.70	4.63
HK Shang Bank	5.65	5.60
HK Shang Htls	4.43	4.42
HK Telecomm	6.10	6.10
HK Ferry	4.53	4.50
Hutch Whampoa	10.70	10.60
Hysan Dev	1.19	1.17
Jardine Math.	32	31.75
Jardine Str Hld	15.70	15.50
Kowloon Motor	6.05	6
Mandarin Orient	5.10	4.98
Miramar Hotel	5.95	5.95
New World Dev	9.85	9.85
SHK Props	13.20	13
Stelux	3.70	3.73
Swire Pac A	17.40	17.10
Tai Cheung Prps	3.60	3.58
TVE	1.05	1.02
Wharf Hold	8.40	8.30
Wing On Co	6.90	6.80
Winsor Ind.	7.95	7.80
World Int'l	4.03	4.03

Hang Seng Index : 3067.53
Previous : 3040.28

Johannesburg

	Close	Prev.
AECI	15.35	15.35
Altech	69	69
Anglo Amer	127.50	124
Barlows	38.25	38
Blyvoor	17.50	15
Buffels	69.50	67
GFSA	90.50	85
Harmony	45	41
Highveld Steel	15	15
Kloof	43	43
Nedbank Grp	12.25	12.25
Rusplat	88	87.25
SA Brews	40.50	40.25
St Helena	42.50	41
Sasol	15	15.50
Welkom	29.75	29
Western Deep	156	154

Composite Stock Index : 3228
Previous : 3188

London

	Close	Prev.
Allied Lyons	4.75	4.73
Anglo Am Gld	54.25	51.53
AA Corp	19.16	17.13
Asda-MFI Gp	1.17	1.17
Ass Brit Foods	4.04	4.02
Barclays	3.71	3.72
Bass	10.56	10.47
B.A.T.	5.60	5.60
Blue Circle	2.19	2.17
BOC Group	5.02	5.02
Boots	2.95	2.91
Bowater	4.70	4.68
BAe	5.50	5.38
BAA	4.20	4.18
Brit Airways	1.82	1.79
British Gas	2.32	2.28
BP	3.64	3.60
British Steel	1.29	1.29
Brit Telecom	2.89	2.87
BTR	3.75	3.72
Burmah Oil	5.94	5.93
Cable Wire	4.80	4.68
Cadbury Sch	3.37	3.34
Charter Cons	4.53	4.52
Comm Union	4.99	4.98
Cookson	1.56	1.57
Courtaulds	3.27	3.30
Dalgety	3.58	3.58
De Beers	N.Q.	—
Dixons	1.38	1.35
Driefontein	7.98	7.89
Eurotunnel	4.80	4.75
Fisons	3.52	3.46
Gen Acc F	5.07	5
GEC	1.87	1.85
GKN	3.58	3.54
Glaxo	7.58	7.53
Grand Met	6.05	6
Gt Univ Stores	13.75	13.75
GRE	2.87	2.84
Guinness	7.22	7.43
Hanson Tr	2.15	2.09
Hawker Sidd	5	4.95
ICI	9.42	9.40
Kingfisher	3.35	3.27
Land Sec	5.03	5.10
Legal Gen Grp	3.84	3.81
Lloyds Bank	2.73	2.78
Lonrho	2.49	2.60
Lucas Ind	1.42	1.39
Marks Sp	2.31	2.27
Maxwell	1.72	1.48
MB Group	1.98	1.92
Midland Bk	2.60	2.62
NatWest	2.98	2.97
Pearson Grp	7.19	7.10
P and O	5.75	5.72
Pilkington	1.74	1.73
Prudential	2.17	2.16
Racal Elec	1.76	1.77
Randfontein	3.61	3.14
Rank Org	6.83	6.80
Reed Intl	4.10	4.01
Reuters	10.08	9.86
Rolls Royce	1.97	1.99
Royal Dutch	43.88	43.63
RTZ	5.35	5.25
Saatchi	0.67	0.65
Sainsbury	2.95	2.91
Sears Holds	0.90	0.87
Shell	4.84	4.78
Siebe	5.52	5.45
STC	2.53	2.54
Std Chart Bk	4.18	4.12
Storehouse	1.31	1.31
Sun Alliance	3.05	3.06
Tate and Lyle	2.73	2.75
Tesco	2.20	2.22
Thorn EMI	6.93	6.80
T.I. Group	4.73	4.78
Trafalgar Hse	2.72	2.69
THF	2.70	2.67
Ultramar	3.44	3.36
Unilever	6.40	6.50
Utd Biscuits	3.39	3.36
Vickers	2.23	2.19
War Loan 3½	31.19	31.31
Wellcome	5.26	5.21
Woolworth	14.56	14.75

F.T. 30 Index : 1742.50
Previous : 1729.30
F.T.S.E. 100 Index : 2234
Previous : 2219.50

Madrid

	Close	Prev.
Bco. Bilbao/Viz.	3010	3000
Banco Central	4990	4955
Bco. Santander	4490	4415
Banesto	3735	3695
CEPSA	2040	2000
Dragados	2380	2380
Iberduero	592	588
Telefonica	830	815

S.E. General Index : 268.65
Previous : 258.97

Milan

	Close	Prev.
Banca Comm	5375	5350
Bastogi	287	285
Cigahotels	4700	4700
CIR	4150	4160
Cred Ital	2707	2715
Enimont	1230	1220
Eridania	9195	9300
Ferruzzi Fin.	2632	2635
Ferruzzi Agr.	2340	2365
Fiat SPA	7295	7240
Generali	38350	38500
IFI	19600	19500
Italcem	12820	12770
Italgas	2830	2845
Italmobiliare	2120a	2140a
Mediobanca	17400	17700
Montedison	1640	1635
Olivetti	5000	4970
Pirelli	1998	1995
RAS	22900	22700
Rinascente	7330	7315
Saipem	2700	2620
SIP	1448	1439
SME	4119	4148
Snia	2080	2020
Standa	29930	30050
Stet	2230	2255
Toro Assi Risp	23790	23990

a: x 100.
MIB current index : 974.20
Previous : 982.10

Montreal

	Close	Prev.
Alcan Aluminum	25½	25¼
Bank Montreal	26⅝	26⅛
Bell Canada	37½	37⅛
Bombardier A	N.Q.	19
Bombardier B	18⅝	18⅝
Cambior	14½	14¼
Cascades	3.90	3.90
Dominion Text A	9½	9⅝
Donohue	N.Q.	—
MacMillan Bl	17⅛	17⅛
Memotec	8½	N.Q.
Nat'l Bk Canada	10	9⅝
Noverco	N.Q.	—
Power Corp.	15	14⅝
Provigo	9	9
Quebec Tel	14⅝	14¼
Quebecor A	N.Q.	—
Quebecor B	11⅛	N.Q.
Videotron	11½	11⅜

Industrials Index : 1532.82
Previous : 1517.49

Paris

	Close	Prev.
Accor	858	860
Air Liquide	687	684
Avions Dassault	471	475
Bancaire (Cie)	435	433.50
BIC	580	600
Bongrain	2940	2910
Bouygues	533	528
BSN-GD	781	790
Carrefour	3245	3240
Cerus	280.10	293
C.G.E.	547	551
Chargeurs	809	810
Club Med	506	504
Dumez	641	656
Elf-Aquitaine	686	689
Europe 1	1160	1160
Gen. Eaux	2320	2330
Hachette	213	228.50
Havas	539	541
Imetal	299	300
Lafarge Coppee	387.50	391.50
Legrand	3990	4000
Oreal (L')	495	492
L.V.M.H.	3724	3800
Matra	295	296
Merlin Gerin	5330	5380
Michelin B	81.50	81.50
Moulinex	82	84
Occidentale	630	657
Paribas	515	515
Pernod-Ricard	1065	1050
Perrier	1400	1415
Peugeot	610	617
Printemps (Au)	545	550
Radiotechnique	500	496
Raff. St. Louis	1198	1209
Redoute (La)	2700	2700
Roussel Uclaf	2060	2061
Saint Gobain	416.50	417
Sanofi	849	848
S.E.B.	1078	1062
Skis Rossignol	975	998
Ste Generale A	471.50	471.80
Suez	338	340
Telemecanique	4650	4650
Thomson-CSF	100	99
Total	599	602
Valeo	410	426

CAC 40 Index : 1712.03
Previous : 1721.01

Sao Paulo

	Close	Prev.
Banco do Brasil	21.80	N.A.
Bradesco	1.80	—
Brahma	7.51	—
Paranapanema	1.66	—
Petrobras	194	—
Vale Rio Doce	43.50	—
Varig	21	—

Bovespa index : 29562
Previous : 28250

Singapore

	Close	Prev.
City Dev.	3.08	3.06
DBS	10.70	10.70
Fraser Neave	7.45	7.70
Genting	9.95	9.90
Harrisons Plant	1.45	1.42
Haw Par	2.58	2.55
Hume	3.74	3.72
Inchcape	4.40	4.36
Keppel	6.60	6.75
KL Kepong	2.58	2.58
Lum Chang	1.18	1.16
Malayan Banking	8.35	8.30
OCBC	8.05	8.10
OUB	4.44	4.38
OUE	6.85	6.80
Sembawang	5.40	5.50
Shangrila	7.10	6.90
Sime Darby	2.65	2.63
SIA	12.30	12.10
S'pore Land	13.50	13.20
S'pore Press	8.70	8.75
Sing Steamship	3.08	3.02
Straits Trading	2.87	2.81
UOB	5.85	5.70
United Overseas	1.70	1.65

Straits Times Ind. : 1294.72
Previous : 1280.87

Stockholm

	Close	Prev.
AGA	305	305
Alfa Laval	250	250
Asea	750	751
Astra-A	515	507
Atlas Copco	N.Q.	—
Electrolux B	223	225
Ericsson	1245	1240
Esselte-A	230	231
Handelsbanken	128	127
Pharmacia-A	223	225
Norsk Hydro	230	220.50
Saab-Scania	290	280
Sandvik	297	300
SCA-A	116	116
S-E. Banken	82	88.50
Skandia F	189	183
Skanska	465	450
SKF	130	131
Stora	322	317
Trelleborg B	157	155
Volvo	324	319

Affaersvaerlden : 1197.70
Previous : 1190.80

Sydney

	Close	Prev.
ANZ	4.70	4.72
BHP	11.15	11.15
Bond	N.Q.	—
Boral	3.27	3.28
Bougainville	1.25	1.28
Coles Myer	7.88	7.86
Comalco	4.38	4.15
CRA	12.20	12.85
CSR	5.06	5.18
Dunlop	5.02	5.06
Elders IXL	1.73	1.73
ICI Australia	4.28	4.21
Magellan	1.87	1.85
MIM	2.52	2.49
Nat Aust Bank	6.66	6.72
News Corp	11.60	11.65
N Broken Hill	2.40	2.50
Poseidon	2.58	2.58
QCT Resources	1.52	1.60
Santos	4.94	4.98
TNT	2.43	2.42
Western Mining	5.68	5.60
Westpac Banking	4.82	4.83
Woodside	3.30	3.22

All ordinaries index : 1564.80
Previous : 1555.30

Tokyo

	Close	Prev.
Akai Electr	751	770
Asahi Chemical	754	739
Asahi Glass	1430	1420
Bank of Tokyo	1180	1230
Bridgestone	1290	1250
Canon	1598	1540
Casio	1380	1340
C.Itoh	670	651
Dai Nippon Print	1640	1600
Daiwa House	2090	2090
Daiwa Securities	1140	1110
Fanuc	6180	6150
Fuji Bank	2350	2330
Fuji Photo	3900	3910
Fujitsu	1260	1220
Hitachi	1280	1230
Hitachi Cable	970	965
Honda	1490	1520
Ito Yokado	3380	3440
Japan Air Lines	1520	1430
Kajima	1500	1500
Kansai Power	2850	2780
Kawasaki Steel	515	489
Kirin Brewery	1610	1590
Komatsu	1020	1020
Kubota	793	785
Kyocera	8000	7830
Matsu Elec Inds	1800	1770
Matsu Elec Wks	1750	1740
Mitsubishi Bk	1910	1900
Mitsubishi Kasei	618	602
Mitsubishi Elec	820	785
Mitsubishi Hev	830	813
Mitsubishi Corp	1240	1190
Mitsui and Co	750	740
Mitsukoshi	1450	1450
Mitsumi	1920	1850
NEC	1660	1640
NGK Insulators	1230	1170
Nikko Securities	990	998
Nippon Kogaku	1410	1390
Nippon Oil	1340	1330
Nippon Steel	538	510
Nippon Yusen	710	705
Nissan	936	925
Nomura Sec	1820	1860
NTT (SF)	8690	8733
Olympus Optical	1350	1370
Pioneer	5550	5460
Ricoh	900	910
Sanyo Elec	765	720
Sharp	1490	1480
Shimazu	993	965
Shinetsu Chem	1440	1430
Sony	7820	7730
Sumitomo Bk	1950	1920
Sumitomo Chem	580	568
Sumi Marine	858	825
Sumitomo Metal	508	491
Taisei Corp	1060	1040
Taisho Marine	841	842
Takeda Chem	1420	1390
TDK	6260	6200
Teijin	636	633
Tokyo Marine	1100	1080
Tokyo Elec Pw	3460	3400
Toppan Printing	1460	1470
Toray Ind.	670	654
Toshiba	935	895
Toyota	1910	1900
Yamaichi Sec	1020	1000

Nikkei 225 : 26673
Previous : 26176
Topix Index : 2029
Previous : 1993

Toronto

	Close	Prev.
Abitibi Price	15½	15½
Agnico Eagle	8¾	9
Air Canada	8¾	9
Alberta Energy	18¾	18⅞
Am Barrick Res	25⅞	25⅝
BCE	37⅝	37⅞
BCED	0.20	0¼
Bk Nova Scotia	14⅝	14¼
BC Gas	15⅛	15⅝
BC Phone	18	17¾
BP Canada	19½	19¼
Bramalea	11⅛	11⅛
Brunswick	9⅝	N.Q.
CAE	6⅛	6⅛
Campeau	1.43	1.42
CIBC	26¼	N.Q.
Canadian Pacific	19⅝	19⅝
Can Packers	10¼	10⅛
Can Tire A	21⅛	20⅝
Cantor	25⅜	25
Cara	16⅛	16½
CCL Ind B	9⅝	9½
Cineplex	3.45	4
Cominco	25⅝	25¾
Comwest Expl A	N.Q.	—
Corona A	7⅝	7¾
Denison Min B	1.83	1.85
Dickenson Min A	5¼	5⅝
Dofasco	21⅞	21⅛
Dylex A	4.45	4.45
Echo Bay Mines	16¼	16⅝
Equity Silver A	1.48	1.43
FCA Intl	10⅛	10½
Fed Ind A	12¼	12½
Fletcher Chall A	14⅝	14¼
FPI	4.95	4.90
GoldCorp	4.80	4.95
Gulf Cda Res	16¼	16⅞
Hees Intl	22¾	22¾
Hemlo Gld Mines	14¼	14½
Hollinger	12¼	12¼
Horsham	10½	10⅝
Hudson Bay	N.Q.	—
Imasco	36½	36½
Inco	33⅞	33¾
Interhome	49	48⅝
Jannock	15	14⅝
Labatt	22⅞	22¼
Loblaw Co	17	16¾
Mackenzie	7⅞	7¼
Magna Intl A	3	3.15
Maritime	17	16⅝
Mark Res	12	12⅛
MacLean Hunt X	8⅝	8⅝
Molson A	34⅛	34⅜
Noma Ind A	6⅞	6⅝
Noranda	18⅝	19¼
Noranda Forest	10¼	10⅜
Norcen Energy	27⅛	27¼
Nova Corp	7⅞	7⅞
Oshawa	30½	30½
Pagurian A	7½	7⅝
Placer Dome	21½	21¾
Poco Petroleum	8	7⅞
PWA Corp	10¼	N.Q.
Quebec Sturgeon	1	1
Rayrock	9⅞	9⅝
Renaissance	15	N.Q.
Rogers B	7¼	7⅛
Rothmans	N.Q.	—
Royal Bank Can	23¼	22⅝
Royal TrustCo	13⅝	N.Q.
Sceptre Res	4.15	4.15
Scott's Hosp	14⅝	14⅛
Seagram	91⅝	90⅝
Sears Can	10⅝	10⅝
Shell Can	40½	39⅝
Sherritt Gordon	7⅝	N.Q.
SHL Systemhse	7⅛	7
Southam	21⅛	21⅛
Spar Aerospace	10¼	10⅛
Stelco A	16	15⅝
Teck B	27⅝	27⅝
Thomson News	13½	13⅛
Toronto Domn	18⅞	18⅝
Torstar B	24½	23⅝
Transalta Util	12	12
TransCda Pipe	16⅛	16⅛
Trilon Finl A	17	17
Trimac	7⅞	N.Q.
Trizec A	18⅝	18½
Turbo Resources	0.42	N.Q.
Unicorp A	1⅛	1⅛
Woodward's Ltd	N.Q.	—

TSE 300 Index : 3475.80
Previous : 3476.90

Zurich

	Close	Prev.
Adia Intl	1175	1190
Alusuisse	1295	1285
Bank Leu	2850	2750
Brown Boveri	5650	5420
Ciba Geigy	2720	2680
CS Holding	2060	2040
Elektrow	3020	3020
Fischer	1810	1800
Interdiscount	3980	4000
Jacobs Suchard	8350	8330
Jelmoli	1950	1970
Landis Gyr	1350	1330
Moevenpick	5550	5550
Nestle	7910	7810
Oerlikon-B	965	945
Pargesa Hld	1300	1330
Roche Holding B	3680	3435
Sandoz	1880	1840
Schindler	6500	6700
Sulzer	642	630
Surveillance	5380	5400
Swissair	800	795
SBC	289	288
Swiss Reinsur	538	538
Swiss Volksbank	1360	1350
Union Bank	3130	3120
Winterthur	3680	3660
Zurich Ins	1950	1950

SBS Index : 688.40
Previous : 685.80

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SPORTS

Yugoslavia Goes to 2-0, U.S. Holds Off Argentina

The Associated Press

BUENOS AIRES — Toni Kukoc scored 21 points Tuesday as Yugoslavia virtually clinched a semifinal berth at the World Basketball Championships with a 100-77 victory over the Soviet Union.

Yugoslavia led by 42-37 at halftime and broke the game open with a 20-6 run over the first 6½ minutes of the second half. Kukoc, drafted this year by the Chicago Bulls of the National Basketball Association, scored six points and had two assists as the Yugoslavs got their fast break going.

Yugoslavia, which made 36 of its 64 shots, led by at least 18 points throughout the final 10 minutes.

Zarko Paspalj, who played for the San Antonio Spurs last season, got 17 points for the Yugoslavs.

Drazen Petrovic of the Portland Trail Blazers, who had 27 points in Yugoslavia's opening quarterfinal rout of Brazil, scored eight points, as did Vlade Divac of the Los Angeles Lakers.

Alexander Volkov of the Atlanta Hawks led the Soviet team with 20.

Earlier, Eugene Robinson of The Washington Post reported:

The U.S. team passed a crucial test, barely, by holding off an Argentine squad playing before a wildly partisan crowd in the round-robin quarterfinals.

The Americans won, 104-100, after having led by 20 points in the second half. Then a series of three-pointers by Hector Campana and a few ear-shattering blasts from the home crowd, and the Americans seemed almost ready to fold.

But guard Kenny Anderson, who had 32 points on 13-of-18 shooting, took control. He made a key three-point play at the two-minute mark and kept the Argentines at bay to run out the final seconds.

The game was played in a tight little sweatbox called Luna Park, to which fans brought bass drums and trumpets to synchronize their chanting. They made a frightful noise, one that lifted the Argentine players and gave the Americans chills.

Even when the Argentines were far behind, the stomping and screaming continued. When they got close, it was impossible to hear even the referees' whistles.

But the U.S. team survived, mainly because Anderson consistently came up with the answer to each Argentine run: a steal, a great pass (he had five assists), a dunk and a Jordanesque layup that drew applause from even the Argentines.

Campana, who had a game-high 33 points, and his teammates looked almost as happy as the U.S. players afterward. For the Americans, there was a sense that they had undergone a rite of passage: They had survived.

What was supposed to be a close game between two leading contenders turned into a rout as Yugoslavia, led by NBA regulars Divac and Petrovic, beat the highly regarded team from Brazil, 105-86.

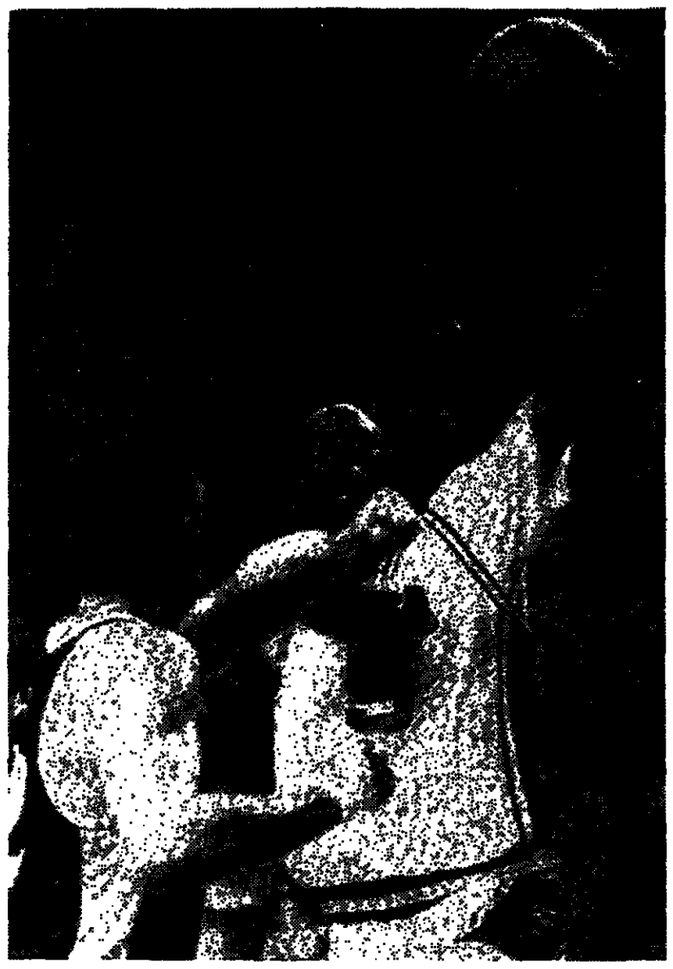
While Divac dominated inside and Petrovic shot three-pointers, Brazil was reduced to depending on its scoring-machine forward, Oscar Schmidt, who got 40 points with a remarkable array of shots.

Divac, who finished with 14 points, 8 rebounds and 5 assists, made his most important contribution on defense, setting up in the lane and taking away the baseline-oriented offense that Brazil was trying so hard to establish. Time and again the Brazilians whipped the ball around to a forward down low only to have him forced by Divac into a bad shot or a turnover.

Meanwhile, Petrovic was directing a precise, spread-the-wealth offense and getting 27 points, 15 on three-pointers.

Kukoc, 22, a 6-foot, 9-inch (2.05-meter) forward who plans to play in Yugoslavia at least through next year, scored 20 points with an impressive array of one-on-one moves.

George Torres scored 26 points as Puerto Rico beat Australia, 89-79.



Daniel Garcia/Agence France-Presse

Kenny Anderson, the guard mostly responsible for keeping the Argentines at bay, went over Sebastian Uranga to score two of his 32 points in the quarterfinal game.

The Glory That Is Tahuichi

International Herald Tribune

LONDON — After so many World Cup prima donnas, who will remind us of the charms, the values of soccer? The French, perhaps? Romance is, or was, essential to Gallic football. France played no part in this summer's tournament, but her league is up and running for the 1990-91 season.

Alas, three games into the season, the Bordeaux team has sacked its manager, Raymond Goethals, a Belgian. Three games! Whoever achieved anything in a trice?

Ah, but these were games without victory. Two draws and one defeat provoked Claude Bez, a club president long on delusions of grandeur but short on patience, to fire the man who coached Bordeaux to second place last season.

Rob Hughes

From such impatience is born the fear that ruined the World Cup. Fear for one's job, fear of defeat, fear that holds back desire to display talent.

So, again, who dares entertain us?

Well, for 10 years now I have heard voices urging me to take a look at the "children" of Bolivia, the boys of Tahuichi Academia de Fútbol in Santa Cruz. They come from the streets and out of the shanties, kids taken away from drugs and poverty and indoctrinated to a way of playing that characterized Bolivia's neighbor, Brazil.

Tahuichi encourages spontaneity. It teaches only basic control and good manners until, at 12, the boys are ready for teamwork. It has grown in 10 years from three boys to 1,000. It has represented Bolivia at FIFA's under-16 world championships in China and in Canada, and half the national senior team grew out of Tahuichi.

A current Tahuichi youth team has just cleaned up in Europe, winning again the Gothia Cup, a Swedish youth event involving 10,000 players from 28 countries; winning the Helsinki Cup, beating Ajax Amsterdam and winning on Sunday to capture a trophy in England.

En route home to Santa Cruz, the team will play a Cuban under-20 side in Havana on Thursday and another Cuban team on Friday.

By next April, at least three Tahuichi teenagers will join Swedish professional teams. Nearing 19, they have been Tahuichi boys since they were 5. They are ambassadors for a country of 6.5 million people. And their triumphs include those over the chosen youth players of Real Madrid of Spain, Flamengo of Brazil and River Plate in Argentina.

THE Tahuichi credo is simple. Let boys be boys. Let the ball, often their greatest friend against boredom, which leads to cheap cocaine, roll for them.

I caught up with Tahuichi last Sunday in Reading, a developing town west of London. When Bolivia's anthem sounded, all 150 spectators stood up, most of them hands on hearts.

"Wherever Tahuichi plays," whispered one fan, "we Bolivians get there. We are a small country, we win nothing, Tahuichi wins everything, especially friends."

Tahuichi, in green, encircled the academy's founder, Rolando Aguilera Pareja, and chanted a Chiriguano Indian war cry. Then Bolivia's ambassador to London, in a wheel chair after being shot during one of his nation's coup d'états, arrived. Tahuichi's captain, a diminutive lad wearing No. 21 and an open smile, assumed command, introducing his ambassador to both sets of players.

This captain, Julio César Amarilla, then commanded much more. He bears resemblance to Diego Maradona — thinner of course, but with immensely developed thighs, with shoulders pinned proudly back, with a hint of that peacock's strut.

And skill? Oh yes. Amarilla hovers over the ball, allowing an opponent to think it is on offer. The English youth stretches for it, then covers his mouth in embarrassment.

Days earlier, the same opposing team had lost, 8-0, to Tahuichi. Now this Wokingham youth was drawn, as if into a spider's web. Amarilla, as if indeed he had several more legs, dragged the ball away with the sole of his shoe and flicked it out of reach. Later, with left and right foot, Amarilla scored four of, I think, Tahuichi's 11 goals. The total was irrelevant.

What matters was the touch, the dance of movement, the style. What matters was the inestimable good grace with which Wokingham's players chased but lost, with the realization that it was their education to share the occasion with a team so superior that it overshadows the best of Asia, Europe and the rest of Latin America.

I would love to see this team against one from Cameroon.

THE Santa Cruz concept came from Aguilera, one of three soccer playing sons of a renowned Bolivian international professional known as *Tahuichi*, The Big Bird.

Rolando Aguilera had built up a civil engineering company and was minister for public works until a coup in 1971 forced him into seven years' exile in the United States. His sons had to make do with gridiron football and baseball, but when they returned to Santa Cruz their father hired Dede, a Brazilian, to coach his twin sons the sport of soccer. A neighbor's child joined in.

"Then it became crazy," Aguilera said with a laugh. "Word got around and dozens of kids came to my home." Tahuichi had founded itself.

Now 1,000 boys, from ages 5 to 19 and most of them penniless, spend half of each day at school, half at Tahuichi. It is as if Tahuichi is the piper, soccer its hypnotic tune.

Wherever they travel, crowds flock to see them. England, as usual, is an exception: Where else would such talent be ignored, where else would such visitors be left to the Salvation Army to feed?

Not even England's pro clubs were watching. That is their loss. Amarilla will probably join Malmo of Sweden next year. So might Chico Suárez, a tall, beautifully balanced creator who admits he would rather follow 15 Tahuichi boys on scholarship to a U.S. university.

Amarilla, for all his gifts, has three times failed academic entrance exams. Yet he, like 90 percent of the Tahuichi boys, has benefited from years of scholarship.

Some 300 U.S. families pay $10 each per month to a Christian Children Foundation to sponsor a boy. That, together with sponsorship and with fees professional clubs pay to sign boys who reach 19, add up to a $150,000 annual budget that, in the absence of Bolivian government funding, keeps the academy going.

Just $150,000. That would buy half an hour of Maradona's exhibition fee. Maradona has honored Tahuichi but, genius though he is, he would struggle to get onto any of its teams.

Tahuichi boys need not have great gifts to enroll. But the excuse of backstreet origins will not wash; the players behave like sportsmen or they are out.

Rob Hughes is on the staff of the Sunday Times.

Taiwan Puts U.S. on the Brink of Elimination in Baseball

Compiled by Our Staff From Dispatches

EDMONTON, Alberta — Taiwan, which lost to the United States by the score of 16-5 in the preliminary round, almost eliminated the Americans from serious medal contention Monday with a 10-7 victory at the World Baseball Championships.

Omar Ajete pitched a four-hitter and Cuba hit three home runs in beating South Korea, 5-1, while Japan raised its second-round record to 2-0 with a 12-8 victory that eliminated Canada from the medal round.

Cuba's victory gave it a 2-0 record going into its final second-round game Wednesday against the United States.

Second baseman Brent Gates hit a first-inning home run to make it 2-0, but after three innings the U.S. team trailed, 9-2, and could not recover against Taiwan starter Kuo Lee Chien-fu, who struck out 18 batters.

"We came out pretty good, but all of a sudden they had those two big innings," said Gates. "It took the wind out of us a little bit."

The Americans' had a 4-1 record in the preliminary round, but then lost to South Korea and Taiwan. They can finish second in their pool and advance to the bronze medal game Saturday only if they beat Cuba and if two other teams in their four-team pool finish with them at 1-2.

"We had to go everything all out because this determines whether we're going to go the medal round or not," said Huan Chung-yi, Taiwan's second baseman, who went 4-for-5 with a double, three RBI and two runs scored.

Starting pitcher Mike Hostetler gave up three singles and a walk in the bottom of the first and an error by first baseman Joe Ciccarella led to a 3-2 Taiwan lead.

Hostetler allowed two more hits and a run in the second inning before being yanked for reliever Paul Byrd, who promptly gave up a two-run triple.

Taiwan went on to score four runs that inning and two in the third for a 9-2 lead.

South Korea's pitcher, Youn Kyu Ji, allowed only five hits but three were home runs.

Omar Linares homered in the first inning to give Cuba a 1-0 lead before Gi Hyun Yoo tied the score in the third with a homer.

But Pedro Rodriguez made it 4-1 in the fifth with a three-run homer, and Lourdes Gurriel hit a bases-empty homer.

Ajete was in command the entire game, striking out 12 batters and walking only one.

"We didn't come to win, we just wanted to play as well as possible," said South Korea's manager, Son Jo Chang.

Canada, too, was forced to play catch-up after Japan took a 5-1 lead with a three-run fifth. Canada rallied in later innings to twice come within one run, but each time Japan responded with runs of its own. *(AP, UPI)*

BOOKS

GENOME: The Story of the Most Astonishing Scientific Adventure of Our Time, The Attempt to Map All the Genes in the Human Body

By Jerry E. Bishop and Michael Waldholz. 352 pages. $22.95. Simon & Schuster, 1230 Avenue of the Americas, New York, N. Y. 10020.

MAPPING OUR GENES: The Genome Project and the Future of Medicine

By Lois Wingerson. 352 pages. $19.95. E. P. Dutton, 2 Park Avenue, New York, N. Y. 10016.

Reviewed by Larry Thompson

IT took a century and a quarter after the Austrian monk Gregor Mendel discovered that the characteristics of pea plants were inherited for genetics to dominate biomedical research. But that time has arrived.

As the 20th century closes, genetics promises to revolutionize medical treatment. Physicians are close to being able to control the genes that underlie nearly every disease, from the nearly 4,000 inherited illnesses to cancer to heart disease to alcoholism and even mental illness.

The increasingly successful assault on these genetic disorders led the U.S. government to launch an organized attempt to find every one of the estimated 50,000 to 100,000 genes in the human body — the so-called human genome project.

A genome is the sum total of all genes found in the cells of a plant or animal. It is the original set of instructions to build an organism. That's why Congress and the administration decided to spent an estimated $3 billion over 15 years on the genome project.

These two books, however, one by a team of Wall Street Journal science writers and the other by a free-lance science writer, Lois Wingerson, are not about the genome project, despite what the titles imply. They are just the first of what surely will be many books on cracking the genetics of human diseases. In a sense, they are prologues, telling the history of the advances in the last decade or so that made scientists think it would be possible to map the location of the genes on the 23 long strands of DNA, the chemical essence of the gene, that are wrapped up in the chromosomes found in every cell in the body.

Both books make clear that research advances occur because people become passionate, even obsessed, about finding a cure, or at least an explanation of why an illness has struck a family member. But, for most laboratory scientists, helping people who are ill is "not the fundamental drive," writes Wingerson, quoting David Housman of the Massachusetts Institute of Technology. Instead "they want to solve puzzles."

Housman used the new genetic techniques to find the "street sign" for Huntington's disease, a lethal mental disorder that strikes late in life and is perhaps best known for killing the folk singer Woody Guthrie.

But Housman could never have made the advance without Nancy Wexler, now a psychologist and researcher at Columbia University, who became obsessed with Huntington's disease after it struck her mother. Wexler's quest for an explanation to her family's disease, a story that is better told in the Bishop and Waldholz book, led her to several poor Venezuelan fishing villages, where German or Spanish sailors apparently introduced the gene that causes Huntington's disease in the 1800s. Because of the relative isolation of the villages, many families became inbred, giving rise to large numbers of Huntington's victims. Walker studied them, sending blood and cell samples back for analysis in the stainless steel labs of the high-tech U.S. universities. There, Housman and others found the gene marker. The result was one of the first gene tests for a major inherited disease.

Although expectant parents already are going in for certain gene screens to ensure their children will be healthy, the benefits from the genome project will come sometime in the next century. For those who want to understand the implications of those technologies, these books are a good place to start.

Larry Thompson is the science editor of The Washington Post Health section.

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JUMBLE THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

GYMAN
PROOD
NULRUY
MYTIES

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here: ( ) ( ) ( ) ( ) ( ) ( ) ( )

(Answers tomorrow)

Yesterday's Jumbles: HABIT LIMIT TALKER LEGACY
Answer: What his inability to tell the truth might be— A "LIE-ABILITY"

BEST SELLERS

The New York Times
This list is based on reports from more than 2,000 bookstores throughout the United States. Weeks on list are not necessarily consecutive.

FICTION

This Week		Last Wk	Weeks on List
1	THE BURDEN OF PROOF, by Scott Turow	1	9
2	MESSAGE FROM NAM, by Danielle Steel	2	8
3	COYOTE WAITS, by Tony Hillerman	3	6
4	SEPTEMBER, by Rosamunde Pilcher	5	17
5	THE WOMAN IN HIS LIFE, by Barbara Taylor		1
6	THE STAND, by Stephen King	4	14
7	OH, THE PLACES YOU'LL GO! by Dr. Seuss	7	25
8	STARDUST, by Robert B. Parker	6	3
9	AN INCONVENIENT WOMAN, by Dominick Dunne	9	14
10	DRAGON, by Clive Cussler	10	14
11	GET SHORTY, by Elmore Leonard		1
12	THE BOURNE ULTIMATUM, by Robert Ludlum	8	22
13	SULLIVAN'S STING, by Lawrence Sanders	13	8
14	HAMMERHEADS, by Dale Brown	14	2
15	KILLING MISTER WATSON, by Peter Matthiessen	11	3

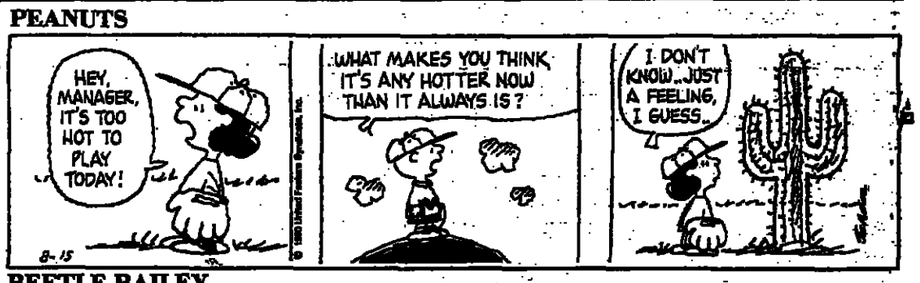
NONFICTION

This Week		Last Wk	Weeks on List
1	MEN AT WORK, by George F. Will	1	18
2	THE POLITICS OF RICH AND POOR, by Kevin Phillips	2	8
3	DAVE BARRY TURNS 40, by Dave Barry	2	11
4	BARBARIANS AT THE GATE, by Bryan Burrough and John Helyar	4	29
5	MEGATRENDS 2000, by John Naisbitt and Patricia Aburdene	3	29
6	IT WAS ON FIRE WHEN I LAY DOWN ON IT, by Robert Fulghum	7	47
7	FATHER, SON & CO., by Thomas J. Watson Jr. and Peter Petre	5	10
8	YOU JUST DON'T UNDERSTAND, by Deborah Tannen	11	2
9	CAPTAIN SIR RICHARD FRANCIS BURTON, by Edward Rice	9	6
10	BEHIND THE MASK, by Dave Pallone with Alan Steinberg	8	5
11	A NATURAL HISTORY OF THE SENSES, by Diane Ackerman	13	2
12	DON'T SHOOT, IT'S ONLY ME, by Bob Hope with Melville Shavelson	10	10
13	LIAR'S POKER, by Michael Lewis	12	40
14	ALL I REALLY NEED TO KNOW I LEARNED IN KINDERGARTEN, by Robert Fulghum	15	92
15	EVERY SPY A PRINCE, by Dan Raviv and Yossi Melman		1

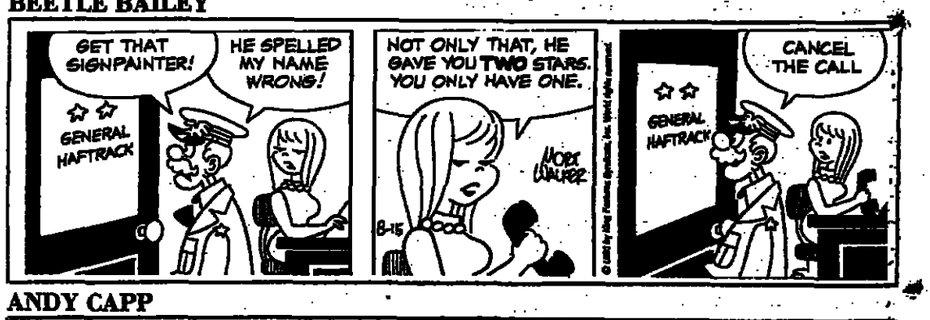
ADVICE, HOW-TO & MISCELLANEOUS

This Week		Last Wk	Weeks on List
1	HOMECOMING, by John Bradshaw	2	4
2	WEALTH WITHOUT RISK, by Charles J. Givens	1	78
3	THE GREAT WALDO SEARCH, by Martin Handford	3	35
4	LIFE 101, by John-Roger and Peter McWilliams	5	5
5	WEBSTER'S NINTH NEW COLLEGIATE DICTIONARY (Merriam-Webster)	4	187

PEANUTS



BEETLE BAILEY



ANDY CAPP

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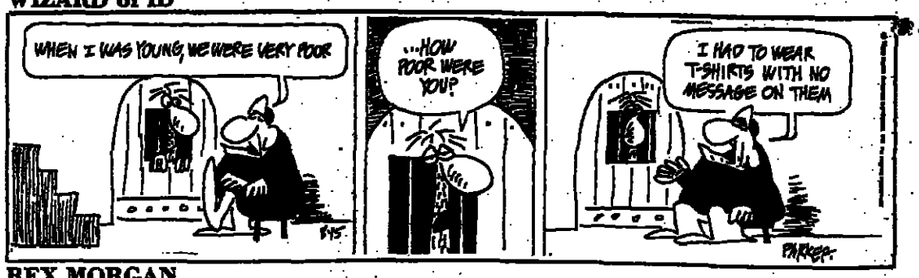

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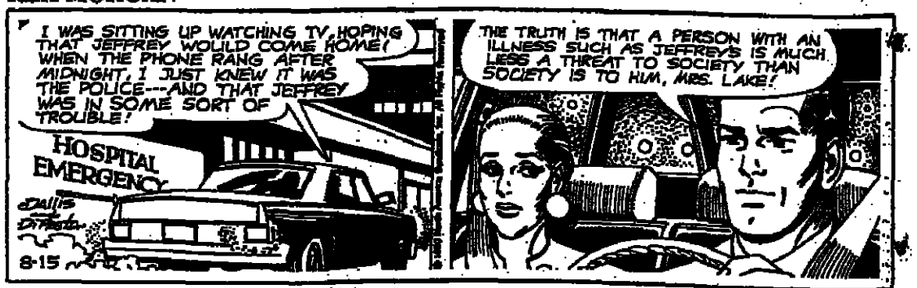

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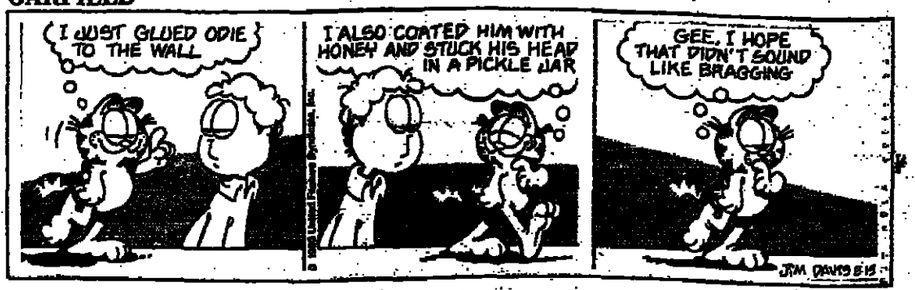


DOONESBURY

SPORTS

Yankee Succession Gets 'Nastier,' Steinbrenner Son May Refuse Job

By Claire Smith
New York Times Service

NEW YORK — With George Steinbrenner having to surrender day-to-day control of the New York Yankees next Monday, there are indications that the succession process is in disarray.

The Yankee owner's 18 limited partners are scrambling for solutions even as they prepare to gather in Cleveland on Wednesday to select a new general partner.

Many of the partners are convinced that Steinbrenner's choice of successor, his son Hank, 33, will refuse the position.

"It's getting nastier and nastier as each day goes along," said Edward Rosenthal, one of the limited partners. "I don't think Hank wants to do it, and that's created monumental problems for George. And the timetable, with Aug. 20 approaching, is horrendous."

As part of the agreement between George Steinbrenner and major league baseball announced July 30, Steinbrenner agreed to resign as the Yankees' general partner on or before Aug. 20.

The fear that the Yankees will be rudderless by next week led one limited partner to ask major league baseball to consider allowing a temporary caretaker, an overture under consideration by the commissioner's office.

There are also indications that other partners are seeking a more permanent solution, should Hank Steinbrenner refuse. These partners are said to be looking within their own ranks, most notably at Marvin Goldklang, a lawyer, banker and owner of three minor league teams.

Some partners are also reportedly mulling whether to seek a joint management team, which could include Goldklang and two other partners, Barry Halper and Daniel M. Crown.

Rosenthal, a Cleveland steel executive and a supporter of George Steinbrenner, also indicated that the partners had not had any signals directly from George Steinbrenner since late last week.

Still, the partners do know this: Vincent is prepared to enforce the July 30 agreement, signed by George Steinbrenner. That agreement effectively removes Steinbrenner from the day-to-day operations of the team.

Fearing that a leadership void might be imminent, Charlotte Witkind, who, along with her husband, Richard, is a limited partner, took her concerns to baseball itself.

"I have inquired through the American League office to see if we can have someone temporarily placed in charge, and they're exploring that for me," Mrs. Witkind said.

"It's my personal concern that the whole thing is happening too fast, that we have so little time to choose someone permanent.

"It's my feeling that this is not going to happen between now and the end of the season," she added. "I read where the owners say their approval process is going to take a good while, so why do we have to rush? There's a lot of concern. This affects us all a lot. We have strong interests in this."

Steve Greenberg, the deputy commissioner, who handled the request, said: "I have spoken with Mrs. Witkind. We are aware of the Aug. 20 date, and I have discussed with a number of people the possibility of an interim arrangement.

"So I have told Mrs. Witkind that we are abiding by the commissioner's agreement with Mr. Steinbrenner, but that it is clear some sort of interim arrangement could certainly be reasonable — as long as it is within the spirit and confines of the original agreement."

Greenberg said that if such an interim agreement were to be worked out, it would be done after consultations with George Steinbrenner and his lawyers.

The cause of all the concern is Hank Steinbrenner, who is pictured increasingly as the reluctant heir. After a brief tenure with the Yankees in 1986, he made it known that he would rather work in the family's horse breeding operation than with the baseball club.

Douglas C. Pizac/The Associated Press

The Angels' Dick Schofield slid under the tag of Chuck Cary, covering home while catcher Bob Geren chased Cary's wild pitch.

Reds Live Up to Piniella Boast As 5-Run Rally Defeats Giants

Compiled by Our Staff From Dispatches

Lou Piniella, the manager of the Cincinnati Reds, put his team on the spot with a brash prediction. Then the San Francisco Giants put the Reds in a squeeze with a four-run first inning.

But Piniella's team rallied for five runs in the fourth inning Monday night in Cincinnati and their bullpen held on for a 6-5 victory that put their lead over the Giants back to a comfortable 6½ games in the National League West.

BASEBALL ROUNDUP

"What this did was give our club self-confidence, coming back that way," said Joe Oliver, whose two-run double was the key hit in the rally. "We showed ourselves that we're capable of doing that."

They also made a stunning prediction by Piniella come true. He had flatly predicted after a victory Sunday that the Reds would win Monday as well, giving them three victories in the four-game series.

"We're just going to go out and beat them," he predicted. "No 'hum baby.' We're just going to beat them."

Piniella said after the victory that his statement was merely an expression of confidence.

"I just felt we were going to win," he said. "I'm in the management business. As a manager, I have to feel confident, not cocky."

But the boast looked silly in the first inning, when the scheduled starter, left-hander Danny Jackson had to be replaced because he couldn't get his shoulder loose in the bullpen — the second time that's happened in four weeks. Scott Scudder proceeded to give up four first-inning runs, three on a homer by Matt Williams, his 22d.

But the Reds' Mariano Duncan singled home a run in the second, and Cincinnati batted around for a 6-4 lead in the fourth.

Paul O'Neill doubled home the first run, Duncan singled home another, and Oliver doubled off the left-field wall for two more and a 5-4 lead. An infield single by Eric Davis produced the final run.

Braves 9, Dodgers 5: Dave Justice hit a three-run homer to cap a four-run first in Atlanta and the Braves put Los Angeles away with three more in the fourth on RBI doubles by John Smoltz and Lonnie Smith and a run-scoring single by Jeff Treadway.

Astros 7, Cubs 2: In Chicago, Franklin Stubbs hit two homers and Mark Portugal hit a two-run single while pitching his first complete game of the season.

Stubbs, who had one hit in his last 27 at-bats, went 2-for-3 and drove in four runs with a three-run homer in the second and a solo shot in the fourth.

Tigers 6, Indians 5: In an American League game in Cleveland, the Tigers scored the decisive run in the top of the ninth on Alan Trammell's RBI double after Cecil Fielder hit his major-league leading 36th homer, a two-run shot that capped a three-run first. Trammell and Tony Phillips each drove in two runs.

Blue Jays 4, White Sox 3: Junior Felix capped a three-run ninth in Chicago with an RBI single as the Toronto overcame a 3-1 deficit.

John Olerud added an RBI single to the rally and another run scored when Mookie Wilson hit into a forceout.

Royals 5, Rangers 3: Gerald Perry had three hits, drove in two runs and scored twice in Kansas City, and Kevin Appier won his third straight start. Appier struck out six and went five innings without allowing a runner past first.

Athletics 4, Red Sox 0: In Oakland, Scott Sanderson pitched a three-hitter and Doug Jennings hit his first home run of the season. Sanderson walked five but struck out seven for his second complete game of the year and first shutout since 1986.

Dave Henderson, Ron Hassey and Willie Randolph had run-scoring singles for the Athletics.

Orioles 3, Mariners 2: In Seattle, Ben McDonald won for the fifth time in five major league starts, allowing four hits over 8⅔ innings.

The Orioles took a 1-0 lead in the first on an RBI double by Cal Ripken, then made it 3-0 in the fourth on Chris Hoiles's RBI groundout and an RBI single by Craig Worthington. *(AP, UPI)*

Winfield: A Laugh At Yankees' Expense

New York Times Service

ANAHEIM, California — Dave Winfield faced the New York Yankees for the first time since he was traded last May and had a good laugh about it.

Winfield hit a single and a double, drove in a run and challenged the throwing arm of the Yankees' second baseman, Steve Sax, in the California Angels' 4-2 victory Monday night over the Yankees, who have now lost four games in a row.

AP

Dave Winfield

Winfield, on third base with one out in the seventh inning, tagged up and scored on Devon White's pop foul beyond first base.

As Sax's throw sailed above the head of catcher Bob Geren, Winfield sprinted home with the Angels' final run of the night.

He appeared to enjoy his achievement, too, grinning broadly as he crossed the plate and ran into the dugout to accept his teammates' congratulations.

SIDELINES

FIFA Welcomes Change by U.S. Body

ZURICH (Reuters) — FIFA, the governing body of soccer, warmly welcomed Tuesday the election of Alan Rothenberg, architect of the successful soccer tournament at the 1984 Los Angeles Olympics, as the new head of the U.S. Soccer Federation.

Spokesman Guido Tognoni said FIFA was convinced Rothenberg's election, two years after the successful U.S. bid for the 1994 World Cup, would speed up preparations for the tournament.

"Werner Fricker did a great job in presenting the U.S. bid in 1988," Tognoni said. "But two years later, FIFA views with increasing disquiet the lack of urgency in the preparations." He said Fricker had often spurned offers of advice and FIFA expertise in handling the World Cup.

Notre Dame Fullback Sues NCAA

NEW YORK (NYT) — Braxston Banks, a fullback at Notre Dame who sat out the 1989-90 season, has filed suit against the National Collegiate Athletic Association and Notre Dame in an effort to regain the final year of eligibility that he lost as a result of becoming a candidate for the National Football League draft last April.

Banks was one of 38 players with remaining eligibility to declare and one of 20 not selected.

A hearing is scheduled in South Bend, Indiana, on Thursday at which Banks will attempt to get an injunction enjoining the NCAA and Notre Dame from enforcing two key eligibility rules. One automatically prevents athletes who place their names in a professional sports draft from playing college sports again, even if they are not chosen; the other makes players ineligible if they agree to retain an agent, even if the agent is a friend or family member.

For the Record

Laurent Fignon, the two-time *Tour de France* winner *sidelined* for more than a month with an injury, will resume racing Sept. 7 in the Tour of Catalonia, his Castorama team said Tuesday. *(UPI)*

Bernie Federko, 16th-highest scorer in NHL history, retired Tuesday after 14 seasons; the 34-year-old center, a free agent, played 13 seasons with St. Louis before his trade to Detroit last summer. *(AP)*

Quest For Fame, the Epsom Derby winner, will not race again this season because of injury, his trainer said Tuesday. *(Reuters)*

No. 10 Karel Novacek of Czechoslovakia was the first seeded player to lose in the U.S. Men's Hardcourt Championships in Indianapolis when, because of illness, he withdrew Monday after falling behind Thierry Champion of France, 6-2, 3-1. *(AP)*

Andre Agassi, Michael Chang, Rick Leach and Jim Pugh will play for the United States against Austria in the Davis Cup semifinals next month, the U.S. Tennis Association announced. *(AP)*

Quotable

Hana Mandlikova, on why she retired from singles tennis: "I am like an orange without any juice."

Attack Against Vincent Abandoned

New York Times Service

NEW YORK — Lawyers for George Steinbrenner were prepared last week to accuse Fay Vincent, the commissioner of baseball, of severely damaging Steinbrenner's reputation and business by misrepresenting their agreement that will end the owner's management of the New York Yankees next Monday.

The lawyers also were poised to charge that the commissioner's office suffered from "complete amnesia" in its public portrayal of the July 30 agreement.

The lawyers, however, did not issue the news release that had been prepared by the Howard Rubenstein agency, a copy of which was obtained Monday by The New York Times.

[Robert E. Banker, Steinbrenner's lawyer in Tampa, Florida, said Monday that Vincent is trying to discredit the eight-count federal indictment against Howard Spira, who is accused of threatening to harm and attempting to extort money from Steinbrenner, The Associated Press reported.

["They made a deal with Spira that in return for information damaging George, they would assist Spira in some way with regards to the criminal prosecution," Banker said. "Or they simply don't want the Spira case tried because they don't want the public to hear what Spira has to say or what George has to say. I can't think of any other reason."

[Vincent and Spira denied the accusations.]

A spokesman for the Rubenstein agency said Steinbrenner and his lawyers had had "a change of heart" last week. The lawyers did not return telephone calls seeking comment.

A source close to the Steinbrenner camp pictured Steinbrenner as desperately concerned about the public perception of the commissioner's disciplinary action against him. They said that Steinbrenner feared the repercussions would hinder his ability to get government contracts for his shipbuilding company and affect his position as a vice president of the U.S. Olympic Committee.

Steinbrenner, the source said, was outraged that the words "suspension" and "ban" have been used to depict his punishment and insisted that his lawyers take steps to alter that image. They have explored at least two ways of doing that.

For the past week or more, the lawyers have studied the possibility of filing a lawsuit challenging the agreement and reviving their previous charges that John Dowd, who conducted the Steinbrenner investigation for Vincent, was biased. They are pursuing the possibility even though Steinbrenner, as part of the agreement, said he would not initiate a lawsuit.

Last Wednesday, the lawyers asked Vincent to issue jointly with them a news release that would supposedly clarify several points of their agreement. The commissioner, however, refused the request, viewing it as an attempt to revise the agreement and warning Steinbrenner that he could face further sanctions if he persisted.

Preparation of the news release from the Rubenstein agency followed Vincent's rejection of the joint release.

It also was announced Monday that the Federal Bureau of Investigation had begun a formal inquiry into reports that past and present agents in the bureau's field office in Tampa did personal favors for Steinbrenner.

The FBI's Office of Professional Responsibility decided Friday that a full-scale inquiry was warranted, an FBI spokesman in Washington said Monday.

2 From NFL Suspended For Steroids

Compiled by Our Staff From Dispatches

NEW YORK — Offensive linemen Louis Cheek of the Dallas Cowboys and rookie John Brandom of the Phoenix Cardinals have become the first two National Football League players to be suspended this year for steroids, a league spokesman announced.

The NFL said Monday that both had tested positive in training camp physicals.

Cheek and Brandom were suspended for two weeks without pay and must pass another test before they can return to their clubs. They will be placed on the reserve-non-football injury list for the first three weeks of the regular season.

Cheek, a 6-foot, 6-inch, 295-pound (1.98-meter, 134-kilogram) tackle from Texas A&M, was selected by the Miami Dolphins in the eighth round of the 1988 draft. He played 28 games for them in two seasons before being released last Feb. 1. The Cowboys signed him as a free agent in March.

Brandom, a 6-2, 273-pound tackle from Arizona, signed with Phoenix as a free agent. *(AP, UPI)*

■ Reeves Back Coaching

Dan Reeves, hospitalized last week to have dangerous blockages cleared from his coronary arteries, returned to coaching the Denver Broncos on Tuesday after being told he could leave the hospital, The Associated Press reported from Greeley, Colorado.

"It was rough being out, but it could have been a lot worse, that's for sure," Reeves said.

Reeves, 46, took over the Broncos in 1981 and at that time was the youngest head coach in the league.

Doctors at Sequoia Hospital in Redwood City, California, cleared Reeves to leave Monday after an examination showed he had no signs of complications. He underwent a new procedure to have blockages removed from his arteries with a tiny device inserted in an artery that grinds through built up plaque.

■ Sanders Joins Falcons

Two weeks after his $2 million deal with the New York Yankees fell through, Deion Sanders showed up at the Atlanta Falcons' training complex, minus $37,000 in fines for his tardiness, The Associated Press reported from Suwanee, Georgia.

Sanders, Atlanta's No. 1 draft pick last year, was fined $1,500 for each of the 18 days of training he missed plus $10,000 for missing the team's minicamp last month.

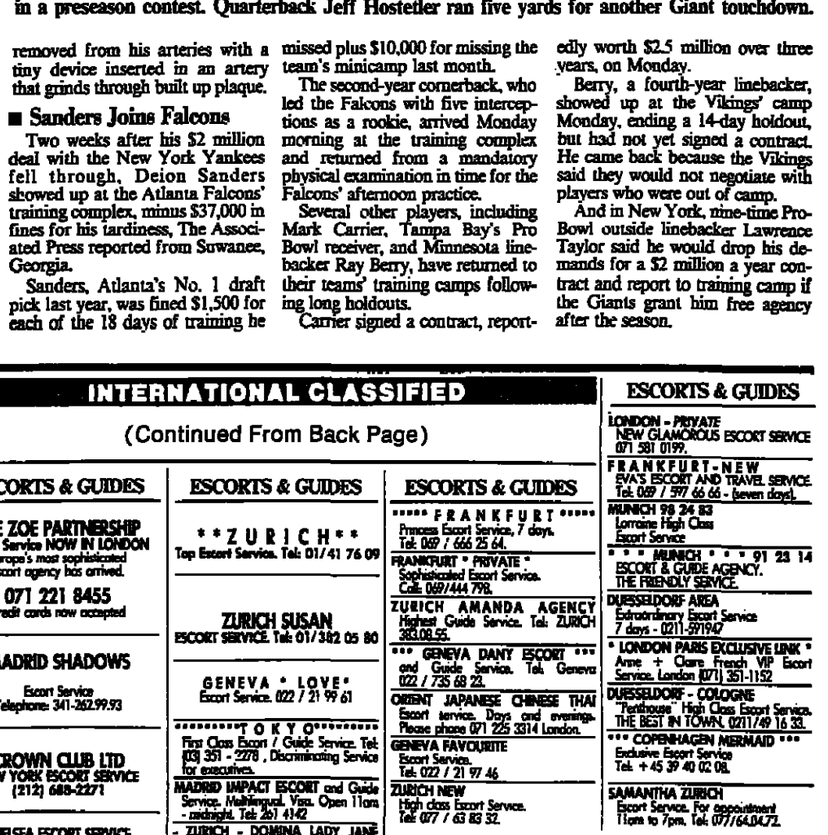
The second-year cornerback, who led the Falcons with five interceptions as a rookie, arrived Monday morning at the training complex and returned from a mandatory physical examination in time for the Falcons' afternoon practice.

Several other players, including Mark Carrier, Tampa Bay's Pro Bowl receiver, and Minnesota linebacker Ray Berry, have returned to their teams' training camps following long holdouts.

Carrier signed a contract, reportedly worth $2.5 million over three years, on Monday.

Berry, a fourth-year linebacker, showed up at the Vikings' camp Monday, ending a 14-day holdout, but had not yet signed a contract. He came back because the Vikings said they would not negotiate with players who were out of camp.

And in New York, nine-time Pro Bowl outside linebacker Lawrence Taylor said he would drop his demands for a $2 million a year contract and report to training camp if the Giants grant him free agency after the season.



Harry Scull Jr./The Associated Press

UPENDED — Buffalo's Eddie Fuller was tripped up by New York Giants' defenders Aaron Emanuel and Odessa Turner on the opening kickoff and the Bills never regained their feet. Rodney Hampton ran 89 yards for a touchdown on his first carry in a professional game as the Giants triumphed, 20-6, in a preseason contest. Quarterback Jeff Hostetler ran five yards for another Giant touchdown.

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE

East Division	W	L	Pct.	GB
Boston	62	52	.544	—
Toronto	61	55	.526	2
Baltimore	56	58	.491	6
Cleveland	54	61	.470	8½
Detroit	54	63	.462	9½
Milwaukee	48	65	.425	13½
New York	46	68	.404	16
West Division				
Oakland	74	42	.638	—
Chicago	66	46	.589	6
Texas	59	54	.513	14½
Seattle	58	58	.500	16
Kansas City	56	59	.487	17½
California	56	60	.483	18
Minnesota	54	61	.470	19½

NATIONAL LEAGUE

East Division	W	L	Pct.	GB
New York	64	47	.577	—
Pittsburgh	64	48	.571	½
Montreal	60	54	.526	5½
Chicago	55	60	.478	11
St. Louis	54	61	.470	12
Philadelphia	52	60	.464	12½
West Division				
Cincinnati	66	47	.584	—
San Francisco	60	54	.526	6½
Los Angeles	58	55	.513	8
San Diego	54	59	.478	12
Houston	50	65	.435	17
Atlanta	43	70	.381	23

Monday's Line Scores

AMERICAN LEAGUE

Detroit	220 000 001		—4	10	1
Cleveland	012 000 002		—5	11	1

Terrell, Gibson (7), Gleaton (8) and Sakata; Shaw, Valdez (2), C. Ward (7) and Alomar. W—Terrell, 1-1. L—Shaw, 3-3. Sv—Gleaton (17). HRs—Detroit, Fielder (34). Cleveland, C. Jones (9), Webster (10).

Toronto	000 010 002	—4	9	0
Chicago	000 100 020	—3	9	1

Wells, D. Ward (8), Henke (9) and Myers. Borders (9); A. Fernandez, Thigpen (9) and Fisk. W—D. Ward, 2-6. L—Thigpen, 4-5. Sv—Henke (23).

Texas	110 000 100	—3	6	0
Kansas City	310 010 00x	—5	7	0

K. Brown, Bartlett (2), Mielke (8) and Petralli; Appier, Sanchez (7), Montgomery (8) and Macfarlane. W—Appier, 8-4. L—K. Brown, 12-9. Sv—Montgomery (17).

Boston	000 000 000	—0	3	0
Oakland	002 011 00x	—4	7	1

G. Harris, Gray (6), Gardner (8) and Pena; Sanderson and Hassey. W—Sanderson, 12-7. L—G. Harris, 9-5. HR—Oakland, Jennings (1).

Baltimore	100 200 000	—3	6	0
Seattle	000 010 001	—2	5	0

McDonald, Olson (9) and Tettleton; Holman and Bradley. W—McDonald, 5-8. L—Holman, 11-8. Sv—Olson (27).

New York	001 000 001	—2	7	2
California	110 000 20x	—4	12	0

Cary, Cadaret (3), Guetterman (7) and Geren; McCaskill, Harvey (8) and Parrish. W—McCaskill, 8-8. L—Cary, 4-8. Sv—Harvey (14). HR—New York, Barfield (16).

NATIONAL LEAGUE

San Francisco	400 000 100	—5	7	0
Cincinnati	010 500 00x	—6	7	0

T. Wilson, Thurmond (4), Downs (6), Bedrosian (8) and Carter; Scudder, Layana (5), Dibble (7), Myers (9) and Oliver. W—Layana, 5-0. L—T. Wilson, 8-4. Sv—Myers (24). HR—San Francisco, Mo. Williams (22).

Los Angeles	000 001 013	—5	10	0
Atlanta	400 311 00x	—9	13	1

Valenzuela, Walsh (5), Crews (7), Searage (8) and Scioscia; Smoltz, Parrett (6), Mercker (9) and Olson. W—Smoltz, 9-8. L—Valenzuela, 9-10. HRs—Los Angeles, Brooks (15). C. Gwynn (3). Atlanta, Justice (15).

Houston	000 100 000	—7	12	0
Chicago	100 000 100	—2	9	1

Portugal and Biagio; Dickson, Pico (6), Lancaster (8) and Girardi. W—Portugal, 6-9. L—Dickson, 8-2. HRs—Houston, Stubbs 2 (16).

Japanese Leagues

Central League	W	L	T	Pct.	GB
Yomiuri	63	33	0	.656	—
Hiroshima	45	44	1	.506	14½
Taiyo	45	45	2	.500	15
Chunichi	46	49	1	.484	16½
Yakult	43	51	0	.446	20
Hanshin	39	57	0	.406	24

Pacific League	W	L	T	Pct.	GB
Seibu	57	27	4	.671	—
Orix	49	38	3	.561	9½
Kintetsu	48	42	1	.533	12
Nippon Ham	46	42	1	.523	13
Lotte	31	58	2	.386	24½
Daiei	27	59	3	.320	31

Tuesday's Results
Yomiuri 8, Yakult 4
Taiyo 4, Hanshin 3
Hiroshima 4, Chunichi 3
Seibu 6, Orix 3
Kintetsu 6, Daiei 5, 10 innings
Nippon Ham 5, Lotte 1

World Championship

In Edmonton, Alberta
Medal Round
Pool C

	W	L
Cuba	2	0
South Korea	1	1
Taiwan	1	1
United States	0	2

Pool D

Japan	2	0
Nicaragua	1	0
Puerto Rico	0	1
Canada	0	2

Consolation Group

Italy	1	1
Mexico	1	1
Netherlands	1	1
Venezuela	1	1

Monday's Results
Japan 12, Canada 8
Taiwan 10, United States 7
Cuba 5, South Korea 1

BASKETBALL

World Championship

Round-Robin Quarterfinals
In Buenos Aires
Monday's Results
Championship Bracket
Group I
Puerto Rico 89, Australia 79
United States 104, Argentina 100
Group II
Soviet Union 75, Greece 57
Yugoslavia 105, Brazil 86
Consolation Bracket
Group III
Spain 107, Egypt 73
Venezuela 100, China 96
Group IV
Canada 102, South Korea 86
Italy 86, Angola 78

LEADERS

Women's Tennis Leaders
Through August 13

1. Steffi Graf, West Germany, 3,545 points; 2. Martina Navratilova, U.S., 2,980; 3. Monica Seles, Yugoslavia, 2,903; 4. Zina Garrison, U.S., 1,747; 5. Natalia Zvereva, Soviet Union, 1,563; 6. Katerina Maleeva, Bulgaria, 1,510; 7. Arantxa Sanchez Vicario, Spain, 1,491; 8. Gabriela Sabatini, Argentina, 1,480; 9. Manuela Maleeva, Switzerland, 1,328;
10. Jana Novotna, Czechoslovakia, 1,270; 11. Nathalie Tauziat, France, 1,211; 12. Jennifer Capriati, U.S., 1,188; 13. Helena Sukova, Czechoslovakia, 1,106; 14. Mary Joe Fernandez, U.S., 1,100; 15. Judith Wiesner, Austria, 1,086; 16. Conchita Martinez, Spain, 800; 17. Helen Kelesi, Canada, 721; 18. Barbara Paulus, Austria, 717; 19. Laura Gildemeister, Argentina, 692; 20. Claudia Porwik, West Germany, 670.

TRANSACTIONS

BASKETBALL
National Basketball Association
MIAMI—Waived Scott Hoffner, guard. Agreed to terms with Alan Ogg, center.
CHICAGO—Signed Horace Grant, forward, to three-year contract extension through 1993-94 season.

FOOTBALL
National Football League
NFL—Suspended Louis Cheek, Dallas Cowboys offensive lineman, and John Brandom, Phoenix Cardinals offensive lineman, for steroid use.
ATLANTA—Said Deion Sanders, cornerback, had arrived at training camp, after missing 18 days.
BUFFALO—Waived Brian Holloway, offensive lineman.
DALLAS—Released Antonio Gibson, safety.
INDIANAPOLIS—Agreed to terms with Chris Goode, defensive back, on one-year contract.
MIAMI—Named Kevin McHale vice president of sales and marketing.
NEW ORLEANS—Signed Brett Maxie and Tol Cook, defensive backs. Waived Steven DeShazer, linebacker, and Kevin Brown, punter. Agreed to terms with Stan Brock, offensive tackle, on three-year contract.
PHILADELPHIA—Agreed to terms with Fred Barnett, wide receiver. Signed Owen Hooven, offensive tackle. Released Mark Porter, placekicker. Signed Keith Byars, running back. Agreed to terms with Roger Ruzek, placekicker.
PHOENIX—Waived Mike Applewhite, defensive lineman.
PITTSBURGH—Signed Craig Veasey, defensive end, to a three-year contract.
N.Y. GIANTS—Signed Maurice Carthon, running back, to three-year contract. Signed Gary Reasons, linebacker, to two-year contract.
SEATTLE—Agreed to terms with Darren Comeaux, linebacker, on one-year contract.
TAMPA BAY—Signed Rod Jones, defensive back, to two-year contract. Agreed to terms with Mark Carrier, wide receiver, on three-year contract.
WASHINGTON—Put Reggie Branch, running back, on waived-injured list.

HOCKEY
National Hockey League
CHICAGO—Signed Rick Lanz, defenseman.
NEW JERSEY—Traded Randy Velischek, defenseman, to Quebec to complete earlier deal for Peter Stastny, center.
N.Y. ISLANDERS—Signed Paul Cohen, goaltender; Greg Parks, center; and Paul Guay, right wing.
N.Y. RANGERS—Agreed to terms with Paul Broten, right wing.
VANCOUVER—Signed Greg Adams, left wing, to multiyear contract.

COLLEGE
BUCKNELL—Named Dale Fransuet softball coach.
CALDWELL—Named Tony Scorciolla men's soccer coach and Nina Applah women's volleyball coach.
COLORADO—Neil Schiesener, guard, left football team.
DARTMOUTH—Named Betsy Mitchell women's swimming coach.
FLORIDA ATLANTIC—Named Jill Vollandingham interim women's tennis coach.

CRICKET

England vs. India
At Old Trafford, England
Test 2. Day 5, Tuesday
1st innings: England 519 (all out); India 432 (all out).
2nd innings: England 320-4 (declared). India 343-6.
Match declared a draw

West Indies vs. Australia
Mini-Test in Kingston, Jamaica
1st innings: West Indies 194; Australia 180.
2nd innings: West Indies 246; Australia 261.

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(Continued From Back Page)

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OBSERVER

10-Second Expertise

By Russell Baker

NEW YORK — A writer friend, Caxton, was in Washington last week to sell his book. "No Moss in My Sheets" it's called. His last was "Steamy Armpits." I mention this only to emphasize that Caxton had picked the wrong day to sell books in Washington.

Last Wednesday was the day President Bush was sending soldiers to Arabia and making a speech and holding a news conference, as was everybody else who belonged to the ruling class, or so it seemed if you lived and died by television.

Caxton needs advertising, and television gives it to him free because it needs cost-free performers. The big loser is the average viewer, unless he is somebody with so little to do in life that he wants to know where Caxton gets the ideas for his novels. We are talking deep narcolepsy here. TV puts up with it because, well, how often can you talk Madonna or Barbara Bush and Millie into coming in and giving a wake-up call?

Wednesday, though, was one of those days that television was born for. Ultimatums, troops moving, grim fellows talking Pentagon talk. ("The 82d Airborne, Tom, has unlimited capability posture for the fullest spectrum of contingencies on the order of magnitude at this point in time.")

□

Few TV people, most of whom are very young, have ever had such a great day. After thick, dull lifetimes of Mayor Marion Barry and the savings and loan story, they were in TV Heaven. Was this what it was like every broadcast day back in the Bronze Age when Edward R. Murrow was covering the Greek-Trojan crisis?

Into this magic television moment came Caxton the book flogger, lugging his three short funny anecdotes should the interviewer greet him with, "Quickly now, we only have 10 seconds left," but fully prepared, if the interviewer should nod off, to reveal where he gets his ideas.

Many TV producers have dreamed of having every TV-crazed author in the United States caged in a sealed chamber and the female anchor slowly pumping out all the air while the weatherman and the sports-news guy blast the writhing mass with two hours of happy news-show banter.

On Wednesday a producer who had dreamed this dream met Caxton at a studio entrance and had him thrown out of the building. At the next TV station Caxton got in, though, and was even seated before the camera. He was waving "No Moss in My Sheets" when he heard the interviewer say, "Quickly now, we only have 10 seconds left, what is the difference between the Sunni and the Shiite Muslims, what is the history behind that difference, and what are its implications for the future?"

Caxton realized that somebody had mistaken him for an expert in Arabic matters. Knowing he would soon be thrown out, he replied, "I tried very hard to keep sex out of 'No Moss in My Sheets,' but I am ashamed to say I failed because —"

He was instantly interrupted by the words, "Back right after these messages," and ejected with advice never to come back unless he wanted to be chained between the weatherman and the sports guy and bantered within an inch of his sanity.

□

Caxton may be a lousy writer, but he knows how to sell. His last experience had revealed that TV was in an awful pickle: It had a terrible Mideast crisis on its hands, and an equally terrible shortage of Arab experts.

It had Israeli experts, political experts, consumer experts, ecology experts, Supreme Court experts, experts on communism, experts on transvestites, experts on uncles who married their nieces . . .

He seized the moment. When he introduced himself at the next TV station as Caxton the Arab expert, people fought to kiss his hand. Seated in the expert's chair, he placed his book upright between the camera and his smile. "No Moss in My Sheets" had 20 seconds on camera before it was hurled into the alley right behind Caxton.

Twenty seconds on the telly may be worth a fortune, of course, though it also may not be, so I said maybe Caxton should study and become a full-time Arab expert for TV. "No future," he said. "The only people Americans care less about than Arabs are Latin Americans."

"What about the homeless?" I said, but not quickly enough. My 10 seconds were up.

New York Times Service

Jonathan Pryce, Equity and 'Miss Saigon'

By Alex Witchel
New York Times Service

LONDON — Jonathan Pryce seemed remarkably calm for someone at the center of an international theatrical incident as he discussed his disillusionment about American Equity's decision not to let him recreate his London role of a Eurasian pimp in "Miss Saigon" on Broadway.

"People in America haven't seen the show and they can't get an idea of what the character, who is an Everyman, is about from listening to the album," Pryce said. "To me, the argument seems parochial. It's focused on a very few people pushing out a lot of misinformation about the piece. I fully support B. D. Wong's protest that ethnic minorities should be given every opportunity to have their work seen, but in this case I think his protest has been fed by his own self-interest."

Pryce was referring to Wong's letters to Colleen Dewhurst, the president of Actors' Equity, and other officials of the actors' union in which he complained about the casting of Pryce in the planned Broadway production of the hit London musical. In the letters, which precipitated Equity's decision to reject Pryce, Wong also denounced Cameron Mackintosh, the producer of "Miss Saigon," and said the dispute offered Equity a chance to go "against the big boys."

Pryce was told that petitions had gone up in several Broadway theaters the day after Equity's vote against him, and enough names had been gathered to force the union to call another meeting this week to reconsider the issue.

In an interview in New York a few weeks ago, Wong, who won a Tony Award for his role in "M. Butterfly," was asked if his protest against the casting of Pryce as the Engineer stemmed from his own desire to play the role. He said, "It's better for the actor in that role to be too young and Asian than to have a Caucasian the right age using yellowface."

Mackintosh had said in an interview that Wong, 27, is too young to play the middle-aged Engineer. Pryce is 43. "I think Brad Wong has adopted a peculiar political stance in the Asian community," Pryce said. "A chance to nail the big guys? He himself had enormous opportunities after the success of 'M. Butterfly.' So who can these 'big guys' be?

"The other irony he fails to realize after acting in that piece is just what it was about — role playing and duplicity. A man dressed as a woman who existed in a relationship because the other man saw what he wanted to see. It's like the theater itself. If I tell an audience 'I'm Vietnamese' and they want to see me that way, they will. Obviously, 'M. Butterfly' was not a learning experience for him."

The Associated Press

Jonathan Pryce (left) with Simon Bowman and Lea Salonga in "Miss Saigon" in London.

Pryce, who began playing the Engineer with a prosthetic device on his eyes to suggest a more Asian look and later abandoned it, said: "No one on our side of the ocean uses the term 'yellowface.' It never felt particularly racist or demeaning to a race to make up to look like another. Changing our appearance is what we do as actors. Anyway, besides giving a stiff neck, having to look out from under the device, I thought it was doubtful in that huge theater that it made much difference to anyone much past the sixth row if I wore it or not." London's Theatre Royal, Drury Lane, seats 2,200.

Pryce, who would have committed himself to playing the role of the Engineer for nine months on Broadway, said he had turned down offers to act in two films so he could spend time with his wife and three children before leaving for the United States.

"Miss Saigon" was supposed to begin performances in New York in March, and Pryce is scheduled to leave the show in London this month. Pryce had also been asked to co-star with Dustin Hoffman in the film version of the E. L. Doctorow novel "Billy Bathgate," but he said that since he's waited so long to find out the Equity ruling, he might have lost that job as well.

"I feel an impotence here," he said. "To hear other actors who don't even know my work in this piece or what the production is like, just disregard it, is depressing. And since the vote, my feeling has turned more to anger."

The feeling backstage at "Miss Saigon," Pryce said, is similar. "Everyone was shocked and upset," he said. "In the year that I've been doing the show I've had nothing but support from the Asians in the company. There is no Asian-Caucasian divide. The people playing Asian roles are not all Asian. We had English actors playing Americans, I was playing a Eurasian — that seemed to be the beauty of this cast, that it was fully integrated. And the joy was that it was going to go on providing employment for multiracial casts for many years to come."

By definition, most actors live with the idea that producers find them expendable, but Pryce said that being dismissed by other actors is hurtful. He said he was particularly wounded by "Miss Dewhurst's remark to Mackintosh that 'it didn't matter who played the role since the show had already generated a $25 million advance.'"

"In artistic terms," he said, "it's a cruel thing for Equity and Colleen Dewhurst to say that anyone can play this. The Engineer isn't a role that someone with limited experience can easily undertake. You naturally assume the role of a leader where there is a cast of 40.

"I've lived with this show now for almost two years. Months before it started I worked on my voice so I could sing the role, which is quite difficult to do eight times a week. And I worked on the script, and with the lyricist and composer to help shape not just my own part but the whole. I've never been forced to feel this role was mine until someone tried to take it away from me."

Pryce said he had been told repeatedly that Dewhurst herself played an Asian character in a 1970 production of "The Good Woman of Setzuan" at Lincoln Center. "It's an interesting point," he said, "but all you get with that argument is 'that was then, this is now.'"

If Equity did reverse its decision, would he be available?

"Of course, I very much want to do it," he said, "but if there is any backdown from Equity it would depend on how it was phrased. It has to be seen as an illegal and unconstitutional act to deny me employment because of my race. They would have to just come right out and say they were wrong."

PEOPLE

Rolling Stones in Berlin On Wall Anniversary

It was the first Rolling Stones concert in Eastern Europe and the 29th anniversary of the building of the Berlin Wall, and something like 50,000 Germans from East and West showed up for the event. Mick Jagger paced the fabled British rock group through a two-and-a-half hour performance at an East Berlin race track. "It was never possible to see them before. Tonight was a dream come true," said one fan who had driven with his wife from a town 150 kilometers (90 miles) distant.

□

The rock singer Don Henley and other figures from music (among them Bonnie Raitt, Arlo Guthrie and Aimee Mann) and politics have launched an effort to preserve Walden Pond by buying adjoining land slated for development. To forestall a 139-unit condominium, the Walden Woods Project is buying a 25-acre (10-hectare) stretch of the woodland made famous by Henry David Thoreau. The Project, along with a group called the Trust for Public Land, is also negotiating to acquire another section of woods near the pond scheduled to be an office park. Henley founded the Project and shares the chairmanship with Senator Paul Tsongas, Massachusetts Democrat, and Michael Kennedy, son of the late Robert Kennedy and president of the Citizens Energy Corp. The group announced agreements with the state and private developers to conserve land around the pond where Thoreau built a cabin and lived for two years. The pond is in a state reservation on the edge of Concord, an affluent town near Boston. It is far less pastoral than described in "Walden," Thoreau's 1854 meditation on solitude and the wilderness. It is near a highway and next to a garbage dump.

□

Marlon Brando has put up his $4 million mansion to secure bail for his son, Christian, charged with murder in the May 16 shooting of his half-sister's boyfriend, Dag Drollet. But until the paperwork concerning Brando's 12-room home in the Santa Monica Mountains is processed and approved, Christian Brando will remain in custody in Los Angeles in lieu of $2 million bail. Under California law, when property is posted to meet bail, it must be worth twice as much as the bail amount.

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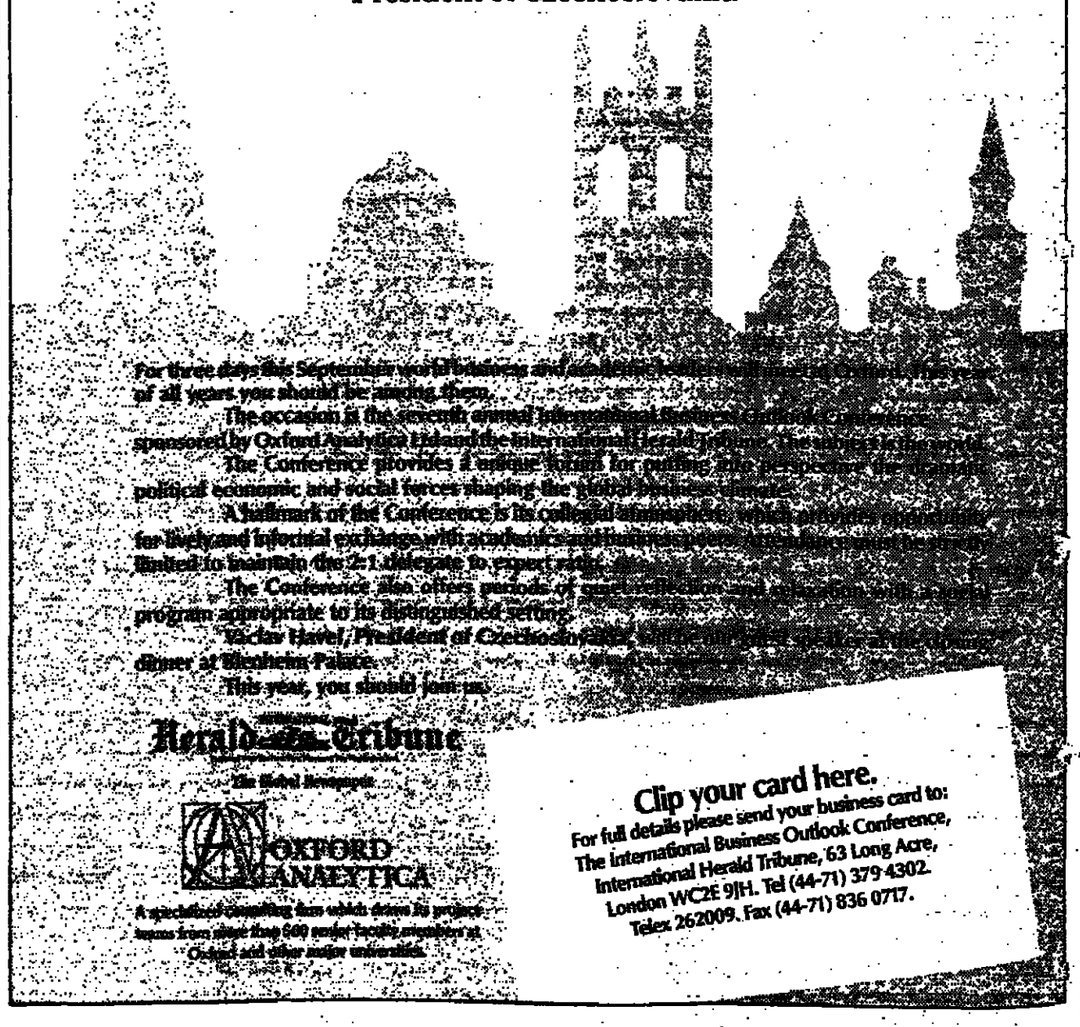

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